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SAN FRANCISCO
PORT COMMISSION

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JUN - 9 2000

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SPECIAL MEETING
3:00 P.M., TUESDAY, JUNE 13, 2000
Pier 35 @ Bay Street & Embarcadero, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS / PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 45
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*The Bay Center: Christopher Martin
*San Francisco at the Wharf: Dennis Barrie

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to provide Port staff with direction in negotiating with the successful bidder for the Pier 45 RFP.

b. Property: Rincon Park Restaurants at Folsom and Embarcadero
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development

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*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurants at Folsom and Embarcadero.

c. Property: Pier 24
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Metropolis Partners: David Agger

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Pier 24.

d. Property: Port Property located at Pier 30-32
Person Negotiating:
Port of San Francisco: Mark Lozovoy
*Red's Java House: Steve Riley

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Red's Java House.

e. Property: Port Property located at Pier 9
Person Negotiating:
Port of San Francisco: Nic Dempsey
*Pacific Marine Dining Yachts: Garrett O'Doherty

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Pacific Marine Dining Yachts located at Broadway and Embarcadero.

f. Property: Port Property located at Pier 94-96
Person Negotiating:
Port of San Francisco: Peter Dailey
*Vulcan Materials: Bob Sears
*BP Aggregates: John Chambers

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 94-96.

g. Property: Pier 33
Person Negotiating:

2 46529 SFPL: ECONO JRS
118 SFPL 07/06/01 30

Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Kira Mikazon: Kira Mikazon

An executive session has been calendared to discuss real estate negotiations between the Port and Kira Mikazon regarding Port property located at the Embarcadero and Bay Street.

h. Property: Pier 23
Person Negotiating:
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Big C Traders: Claude Jacques

An executive session has been calendared to discuss real estate negotiations between the Port and Big C Traders regarding Port property located at the Embarcadero and Green Street.

i. Property: Pier 96
Person Negotiating:
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Operation USA/Hope: Neil Frame

An executive session has been calendared to discuss real estate negotiations between the Port and Operation USA/Hope regarding Port property located at Pier 96.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___As Defendant _X_As Plaintiff

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. ADJOURNMENT

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SAN FRANCISCO
PORT COMMISSION

JUNE 13, 2000 MINUTES
OF THE SPECIAL MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, JUNE 13, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:10 p.m. Commissioners Brandon, McCarthy, Hardeman and Lee were present. Commissioner McWilliams was not present.

2. NEW BUSINESS / PUBLIC COMMENT

Commissioner Lee reported to the Commission that Rose Pak accused him at a Chinese radio talk show that he had asked for a few parking permits for him and his family's use. He clarified that he did not ask for 4 or 5 parking permits but only one permit for his use. He provided the Commission a copy of a letter from the Commission Secretary verifying that he received only one permit. Hundreds of thousands of radio listeners heard her announcement and felt that his reputation has been damaged. He wanted to know who gave the personal information to Rose Pak who is not an official of the Port. He asked the Executive Director to investigate the matter and report the findings to the Commission at the next meeting. Commissioner Brandon requested the Executive Director to investigate the matter per Commissioner Lee's request.

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner moved approval; Commissioner seconded the motion. All of the Commissioners were in favor.

At 3:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 45
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*The Bay Center: Christopher Martin
*San Francisco at the Wharf: Dennis Barrie

b. Property: Rincon Park Restaurants at Folsom and Embarcadero
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Nice Ventures Inc.: Reed Hearon

c. Property: Pier 24
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Metropolis Partners: David Agger
THIS ITEM WAS NOT DISCUSSED.

d. Property: Port Property located at Pier 30-32
Port of San Francisco: Mark Lozovoy
*Red's Java House: Steve Riley
THIS ITEM WAS NOT DISCUSSED.

e. Property: Port Property located at Pier 9
Port of San Francisco: Nic Dempsey
*Pacific Marine Dining Yachts: Garrett O'Doherty
THIS ITEM WAS NOT DISCUSSED.

f. Property: Port Property located at Pier 94-96
Port of San Francisco: Peter Dailey
*Vulcan Materials: Bob Sears
*BP Aggregates: John Chambers

g. Property: Pier 33
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Kira Mikazon: Kira Mikazon

h. Property: Pier 23
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Big C Traders: Claude Jacques
THIS ITEM WAS NOT DISCUSSED.

i. Property: Pier 96
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Operation USA/Hope: Neil Frame
THIS ITEM WAS NOT DISCUSSED.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___As Defendant _X_As Plaintiff

4. RECONVENE IN OPEN SESSION

At 4:30 p.m., Commissioners Brandon, McCarthy, Hardeman and Lee returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. ADJOURNMENT

The meeting was adjourned at 4:30 p.m.

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REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 13, 2000
Pier 35 @ Bay Street & Embarcadero, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - May 9, 2000 Special & Regular Meeting
   - May 30, 2000 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Approval of Executive Director's compensation for Fiscal Year 2000/2001. (Resolution No. 00-48) (Staff report provided to the Commission.)

4. **CONSENT CALENDAR**

   A. Approval of a sublease between AMB Property, L.P. and Weston Presidio Capital, a Delaware corporation, for lease of space at Pier 1. (Resolution No. 00-51) (Staff report provided to the Commission.)

5. **MARITIME**

6. **REAL ESTATE**

   A. Approval of Memorandum of Understanding and Encroachment License between the Port and Municipal Transit Agency (Muni) regarding a hotel at Mission & Steuart Streets. (Resolution No. 00-52) (Staff report provided to the Commission.)

7. **FACILITIES & OPERATIONS**

   A. Approval of Memorandum of Understanding (MOU) between the Port and the Department of Public Works (DPW) to reimburse the Port for the cost of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I." (Resolution No. 00-49) (Staff report provided to the Commission.)

   B. Approval of First Amendment under Professional Services Contract No. CT-3980004 "As-Needed Professional Services" with Structus, Inc. to authorize additional design and construction review work. (Resolution No. 00-50) (Staff report provided to the Commission.)

C. Status Report on Facilities and Operations Project (Informational Item).

8. PLANNING & DEVELOPMENT

A. Authorization to enter into negotiations for the development and lease of Pier 45 Shed A at Fisherman's Wharf for public attraction use. (Resolution No. 00-46) (Staff report provided to the Commission.)

B. Approval of extension of Exclusive Negotiations for Mixed Use Development at Pier 24½. (Resolution No. 00-47) (Staff report provided to the Commission.)

C. Status report on Port Planning & Development Projects. (Informational Item)

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public can be reviewed and copied at the Ferry Building, Suite 3100 or by contacting the Port Receptionist at 415-274-0400.

JUNE/JULY 2000

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
June 12	6:00 p.m.	Southern Waterfront Advisory Committee	Port Commission Room Ferry Building
June 13	**4:00 p.m.**	**Port Commission**	**Cruise Ship Terminal Pier 35**
June 14	4:00 p.m.	Pier 70 Advisory Group	CA College of Arts & Crafts 450 Irwin Street, S.F.
June 15	**1:00 p.m.**	**Port/BCDC Commission Joint Hearing**	**Cruise Ship Terminal Pier 35**
June 20	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
June 27	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
July 11	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
July 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission meeting will be held at the Passenger Lounge located on the second floor of Pier 35 at Bay Street & The Embarcadero. The pedestrian and vehicular entrance to Pier 35 is via the central overhead coiling doors from the east side of the Embarcadero. A marked pedestrian pathway and traffic lane lead to the Passenger Terminal accessible passenger loading area, parking area and entrance, located approximately half way into the Pier 35 shed structure.

Access to the second floor meeting area within the Passenger Terminal is via an accessible elevator at the east end, and via a ramp at the west end. Accessible sanitary facilities will be provided. Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Embarcadero/Fisherman's Wharf area are the 15, 32 and 42. For more information about MUNI accessible services, call 923-6142.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 8, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of 2000/2001 Executive Director Compensation

DIRECTOR'S RECOMMENDATION: APPROVE A 6% INCREASE IN THE 2000/2001 COMPENSATION FOR THE EXECUTIVE DIRECTOR

Charter Section B3.581(h) grants the Port Commission the exclusive authority to set the compensation (salary and benefits) of the Port Executive Director.

In the past several years, annual increases to the compensation for the Port Executive Director were the same as that of members of the Municipal Executives Association (MEA), as negotiated between the City and MEA.

The contract that was negotiated between the City and MEA in 1998 covered the period from July 1, 1998 through June 30, 2001. The contract provides for annual salary increases of 3% per year each year and a Pay-for-Performance plan with a maximum of 3% annually based on the manager's performance.

The Port Executive Director's salary is currently $158,349 per year. Approval of a 6% salary increase for the Port Executive Director would advance his salary to $167,850 per year.

For purposes of comparison, the average salary of the Port Directors for seven West Coast Ports is $183,295, approximately 9% higher than the proposed salary for the Port Executive Director.

Prepared by Kathy Mallegni, Human Resources Manager

This Print Covers Calendar Item No. 3B

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-48

WHEREAS, Section B.3581(h) of the Charter grants the Port Commission the exclusive authority to set the compensation (salary and benefits) of the Port Executive Director, which shall not exceed prevailing salaries paid to persons holding similar positions in comparable maritime employment; and

WHEREAS, In the past several years, annual increases to the compensation to the compensation for the Port Executive Director were set the same as those of members of the Municipal Executives Association (MEA), as negotiated between the City and the MEA; and

WHEREAS, The contract that was negotiated between the City and MEA in 1998 provides for a salary increase of 3% and Pay-for-Performance at a maximum of 3% for fiscal year 2000/01; now, therefore, be it

RESOLVED, That the salary for the Port Executive Director for Fiscal Year 2000/2001 be increased by 6% effective July 1, 2000, with an increase in cost of benefits equal to any provided to MEA members effective October 1, 2000.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 13, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 6, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Michael Hardeman
Hon. Pius Lee
Hon. Denise McCarthy

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Sublease between AMB Property, L.P. and Weston Presidio Capital, a Delaware Corporation, for lease of space at Pier 1

DIRECTOR'S RECOMMENDATION: APPROVE SUBLEASE BETWEEN AMB PROPERTY, L.P. AND WESTON PRESIDIO CAPITAL, A DELAWARE CORPORATION, FOR LEASE OF SPACE AT PIER 1

I. BACKGROUND

On August 2, 1999, the Port entered into a Development Agreement and a 50-year lease ("Lease") with AMB Property, L.P., a Delaware limited partnership, for lease of Pier 1. Pursuant to the Lease and Development Agreement, AMB is constructing office improvements at the pier, including the Port's new headquarters. Pursuant to the Lease AMB has the right to sublease available office space to third parties, subject to the Port's prior consent.

Section 16.3(b)(ii) of the Lease provides that the Port may not withhold its consent unless it determines that the proposed use under the sublease would be inconsistent with the Lease, or if AMB fails to satisfactorily comply with the Maritime Marketing Program, or the sublease fails to meet the Port's reasonable conditions. The Port is required to give consent within thirty (30) days after AMB's request.

The Port may condition its consent on any of the following conditions: (1) that the use be consistent with the Lease, (2) that the sublease is expressly made subject to the terms of the Lease, (3) that the term of the sublease does not extend beyond either the term of the Lease or beyond 10 years, (4) that AMB remains liable under the Lease, (5) that the proposed subtenant provides adequate insurance and indemnification of the Port, and (6) that the Port has not exercised its expansion option for the space.

On May 8, 2000, AMB submitted to the Port a request for consent to a proposed sublease ("Sublease") between AMB and Weston Presidio Capital, a Delaware corporation, dated January 14, 2000.

II. SUBLEASE TERMS: The material terms of the Sublease include the following:

Use: The proposed use is for general office use and for a private dining facility, including a restaurant-style display kitchen in the Premises, "provided that such facility shall not be a commercial restaurant and shall be for the exclusive private use of Tenant for its employees, business clients and guests."

Premises: Approximately 18,882 rentable square feet located in the middle of the Pier 1 facility.

Term: Ten years, commencing February 1, 2001 (subject to completion of the improvements).

Rent: Years 1-5: $3.48/month per rentable square foot ($65,709), or $42/rsf/year
Years 6-10: $4.13/month per rentable square foot ($77,983.00), or $49/rsf/year

Insurance/Indemnity: The Sublease provides that the Subtenant will name the City and the Port as additional insureds, and includes the City and Port within the scope of the indemnity.

Subject to Master Lease: The Sublease provides that is it subject to and subordinate to the Lease between the Port and AMB.

Port staff has reviewed the Sublease and finds that it meets the requirements for the Port's consent. The office use is consistent with the Lease. Restaurant use is a permitted use for the Pier 1 premises in general, although the use of a portion of office space for a private restaurant is not directly addressed in the use clause or the Scope of Development attached to the Lease. The Port has the ability to consent to that use, however, which consent must not be withheld unreasonably.

The Sublease is made subject to the terms of the Lease; the term of the Sublease does not extend beyond the term of the Lease nor beyond 10 years; the Subtenant is required to indemnify the Port and to provide insurance naming the Port as an additional insured; AMB has complied with the Maritime Marketing Program; and the Port has not exercised its expansion option on this space. The Sublease does not affect AMB's continuing liability as the primary tenant under the Lease.

III. **RECOMMENDATION :** Port staff recommends that the Sublease between AMB Property, L.P. and Weston Presidio Capital, dated January 14, 2000, for sublease of 18,882 square feet at Pier 1 be approved.

Prepared by: Jennifer Sobol
Pier 1 Development Project Coordinator

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-51

WHEREAS, Charter Section B 3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, On August 2, 1999 Port entered into a 50-year lease ("Lease") with AMB Property, L.P. ("AMB"), for lease of Pier 1. Pursuant thereto, AMB has the right to sublease space in Pier 1, subject to the Port's prior consent; and

WHEREAS, AMB submitted to the Port a request for consent to a proposed sublease ("Sublease") with Weston Presidio Capital, a Delaware corporation for sublease of space at Pier 1, to be used for office and a private dining facility. The terms of the Sublease are as set forth in the Memorandum to the Port Commission for June 13, 2000; and

WHEREAS, the Lease provides that the Port may not withhold its consent unless it determines that the proposed use would be inconsistent with the Lease, or AMB fails to comply with the Maritime Marketing Program, or the Sublease fails to meet the Port's reasonable conditions; and

WHEREAS, Port may condition its consent on (1) the use being consistent with the Lease, (2) that the Sublease is subject to the terms of the Lease, (3) that the term of the Sublease does not extend beyond the term of the Lease or beyond 10 years, (4) that AMB remains liable under the Lease, (5) that the proposed subtenant provides adequate insurance and indemnification of the Port, and (6) that the Port has not exercised its expansion option for the space; and

WHEREAS, Port staff has reviewed the subject Sublease and found that it meets all of the requirements for the Port's consent; and now, therefore, be it

RESOLVED, that the Port Commission hereby consents to the Sublease dated January 14, 2000 between AMB Property, L.P. and Weston Presidio Capital for sublease of space at Pier 1, and authorize the Executive Director, in consultation with the City Attorney, to execute any further documents or take further actions as are necessary to implement the approved sublease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 13, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
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MEMORANDUM

June 6, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Memorandum of Understanding and Encroachment License between the Port and Municipal Transit Agency (Muni) regarding a hotel at Mission & Steuart Streets.

DIRECTOR'S RECOMMENDATION: APPROVE MEMORANDUM OF UNDERSTANDING

In 1998, the Port Commission approved a Memorandum of Understanding (the "Roadway MOU"), with the City's Public Transportation Commission ("PTC") and other City departments related to the construction of the Mid-Embarcadero Roadway Project. Under the Roadway MOU, among other things, the PTC paid the Port $8,524,000 for the surface easement rights to a variety of parcels under the jurisdiction of the Port, including an approximately 8,800 square foot parcel located between the Embarcadero and Mission and Steuart Streets (the "Port Premises"). Under Section 11 of the Roadway MOU, the Port granted PTC the right to occupy an area of Port property for transit operation purposes only, and PTC has been using the Port property for a Muni bus layover area.

The Public Transportation Commission (now known as the Municipal Transportation Agency ("MTA")), pursuant to a competitive selection process, has selected Mission & Steuart Hotel Partners, LLC ("Tenant") to accomplish the commercial development of an approximately 201-room hotel and related facilities on certain City property located at Mission and Steuart Streets in San Francisco. The hotel will be built within the existing 84-foot height limit for the site, and will taper from eight floors on its Mission Street frontage to four floors on its north side in order to avoid shadowing of the nearby open space. In order to implement the hotel project, the City and Tenant will enter into a Lease Disposition and Development Agreement and a 65-year ground lease (51 year initial term with a 14 year option to extend)

This Print Covers Calendar Item No. 6A

("Hotel Lease"). As part of the hotel project, the parties would like to use the Port Premises primarily for landscaped and hardscaped open space and for outdoor seating for the hotel's restaurant/café. The full uses are more particularly described in Paragraph 4 of the form MOU attached to this Memorandum.

The MTA has asked the Port to enter into an Memorandum of Understanding ("MOU") that would allow the MTA to include the Port Premises under the Hotel Lease for the open-space purposes described above without further compensation to the Port, based upon the fact that MTA has already paid fair market value to the Port for the surface easement rights over the Port Premises as part of the Mid-Embarcadero Roadway Project. In addition, construction of the hotel project on the MTA Premises involves certain building elements that will encroach a minimum of 7.5 feet above the grade of the Port Premises, including bay windows, cornices, the top portion of the southwest turret, and belt courses. Consequently, MTA and the Tenant have requested that the Port to directly grant the Tenant an encroachment license that will allow these air space encroachments for so long as the Hotel Lease remains in effect. The design of these encroachments will be presented at the June 13, 2000, Port Commission meeting.

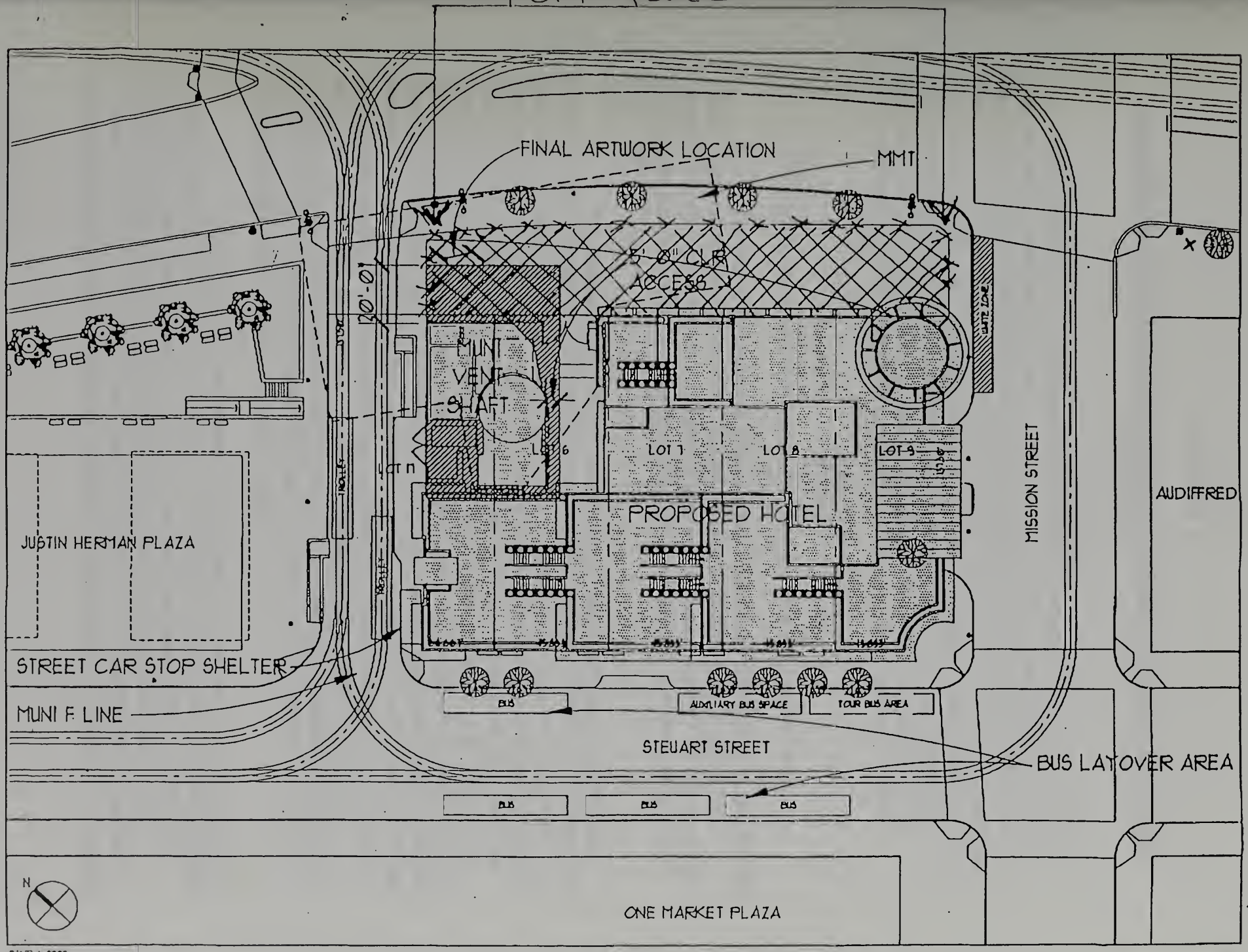
Other uses allowed under the proposed MOU include the relocation of the labor workers' memorial sculpture presently located on the corner of Mission and Steuart Streets, construction staging of the hotel, bicycle parking for hotel employees and guests only; and for such other uses that are both (i) consistent with the City's Charter, the Burton Act and any other applicable laws, and (ii) approved in writing by the Port's Executive Director, in his or her sole and absolute discretion. Any material changes in the type or intensity of use of the Port Premises from the use contemplated and approved by MTA in connection with the hotel project, or the construction of permanent improvements or structures on the Port Premises other than those contemplated and approved by MTA in connection with the hotel project, are subject to the separate consent of the Port Commission by resolution.

The MOU requires MTA to be responsible for all repair and maintenance of the Port Premises. In addition, MTA agrees to indemnify the Port against any losses arising from use of the Port Premises. In the event of an uncured default, the Port may terminate the MOU, although the encroachment permit for the air rights will remain in effect for so long as the Hotel Lease remains effective.

On June 1, 2000, the Planning Commission certified an Environmental Impact Report for the Hotel Project. A copy of the EIR is on file with the Port Commission Secretary and available for review by Port Commissioners. As part of this action, the proposed resolution includes the adoption of certain findings and mitigation measures pursuant to requirements under the California Environmental Quality Act. A copy of the findings is on file with the Commission Secretary.

Prepared by: Neil Sekhri, Deputy City Attorney

Port Parcel



JUNE 1, 2000
SCALE: 1-50'-0"

MISSION-STEUART HOTEL

SITE PLAN

TOTAL P.03

EXHIBIT H

MEMORANDUM OF UNDERSTANDING AND GRANT OF ENCROACHMENT LICENSE

This Memorandum of Understanding and Grant of Encroachment License ("MOU"), dated for reference purposes only as of _____, 2000, is by and between the SAN FRANCISCO PORT COMMISSION, an agency of the City and County of San Francisco (the "Port"), the SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, an agency of the City and County of San Francisco ("MTA"), successor-in-interest to the SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION, an agency of the City and County of San Francisco (the "PTC"), and, solely for the limited purpose described below, MISSION & STEUART HOTEL PARTNERS, LLC, a California limited liability company ("Tenant").

RECITALS

THIS MOU is made with reference to the following facts and circumstances:

A. Pursuant to a competitive selection process, the San Francisco Municipal Railway ('Muni"), with the approval of the PTC, selected Mission & Steuart Hotel Partners, LLC ("Tenant") to accomplish the commercial development of a hotel and related facilities on certain City property located at Mission and Steuart Streets in San Francisco, as more particularly set forth below (the "Project").

B. The proposed Project will consist of a total of approximately [137,000] gross square feet for an approximately 201-room hotel (of which 15 rooms are suites). The Project will contain approximately 4,050 gross square feet of ground floor retail space and approximately 9 independently accessible parking spaces or 17 valet spaces. The Project will be built within the existing 84-foot height limit for the site, and will taper from eight floors on its Mission Street frontage to four floors on its north side in order to avoid shadowing of the nearby open space. The Project will integrate the Muni F-Line historic street car stop, which will be adjacent to the hotel and will provide shelter for passengers. The Project will also include one men's bathroom and one women's bathroom for Muni operators/employees in the vicinity of the sheltered F-Line historic street car stop. Pursuant to the terms and conditions of a sublease between Tenant and the Market Street Railway Company, Tenant will sublease to the Market Street Railway Company approximately 1,050 square feet of ground floor retail space immediately adjacent to the F-Line street car stop for an historic street car memorabilia shop, the proceeds of which will be used to support Muni's vintage street car program.

C. The Project will have numerous public benefits. First, the Project is projected by consultants to the City to generate more than [$311,000,000] of ground lease payments to Muni over a 65-year lease term. In addition to these annual lease payments to Muni, the Project is projected to generate property, hotel, sales, and payroll taxes and other direct and indirect revenues for the City. When the Project begins operation, it is anticipated to generate annually an estimated [$1.4 million] in hotel taxes, [$400,000] in property taxes, [$75,000] in sales taxes,

and [$33,000] in business taxes. Second, the Project will create a substantial number of new jobs. It is anticipated that once the Project is fully operational, approximately 250 permanent full and part-time employees will work there while development of the Project is anticipated to generate about 200 construction jobs. Tenant and its subtenants will participate in the City's First Source Hiring Program and Program in Diversity to enhance employment opportunities for persons receiving public assistance and other qualified economically disadvantaged persons. In addition, Joie de Vivre has committed to work with the Tenderloin Neighborhood Development Corporation in developing a youth hospitality training program to allow local teens to learn the hotel business. Joie de Vivre has already offered to Local 2 that the Project will be operated with union representation and in compliance with the City's Card Check Ordinance. Third, the Project will create a substantially improved and more compatible land use than the current use of the site as a Muni layover area. The RFP set forth planning objectives for the Project that were drawn from the Downtown Element of the City's General Plan. By providing residents and visitors with an attractive, lively combination of uses which are pedestrian and transit in orientation, the Project is much more harmonious with The Embarcadero and the adjacent open space than its current use, and enhances the substantial public investment the City is making in the area.

D. Among other things, the Project contemplates the use of approximately [34,375] square feet of land located at the corner of Mission and Steuart Streets in the City and County of San Francisco that is owned by the City, under the jurisdiction of the MTA (the "MTA Premises"), and approximately [8,800] square feet of unimproved land adjacent to the eastern end of the MTA Premises along the Embarcadero that is owned by the City, under the jurisdiction of the Port, as more specifically defined in Section 1 below (the "Port Premises"). The Project contemplates Tenant's use of the Port Premises as landscaped open space and outdoor seating for the hotel's restaurant/café. Together, the MTA Premises and the Port Premises shall hereinafter be referred to as the Total Premises

E. In order to implement the Project, the City and Tenant will, subject to the approval of the MTA and the City's Board of Supervisors, enter into a Lease Disposition and Development Agreement and a long-term ground lease covering the Total Premises (respectively, as such documents are finally approved and duly executed by the City, the "DDA" and the "Hotel Lease").

F. On May 27, 1998, the PTC entered into a Memorandum of Understanding (the "Roadway MOU"), with the Port and other City departments related to the construction of the Mid-Embarcadero Roadway Project. Under the Roadway MOU, among other things, the PTC paid the Port $8,524,000 for the surface easement rights to a variety of parcels under the jurisdiction of the Port, including the Port Premises.

G. Notwithstanding the PTC's prior payment of fair market value to the Port for the surface easement rights over the Port Premises, under Chapter 1333 of the California Statutes of 1968 (the "Burton Act") and the Charter of the City and County of San Francisco, ultimate jurisdiction over the Port Premises remains vested in the Port.

H. Because the PTC has already paid fair market value to the Port for the surface easement rights over the Port Premises, no rent or other compensation is due and payable to the Port by the PTC, MTA or Tenant under this MOU.

I. Tenant contemplates construction of the Project on the MTA Premises with certain building elements that will encroach over the air space of the Port Premises for bay windows, cornices, the top portion of the turret situated in the southwest corner of the MTA Premises, and for belt courses. The Port desires to grant Tenant a license to construct and maintain those encroachments, subject to the restrictions set forth below.

In light of the foregoing, the Port, the MTA and Tenant hereby agree as follows:

1. Port Premises. The Port Premises are more particularly described in Exhibit A attached hereto and made a part hereof, together with any and all alterations thereto.

2. Grant of Authorization to Use Port Premises. The Port hereby authorizes and grants the MTA the right to use, operate, and lease the Port Premises, including, without limitation, the right to permit Tenant under the Hotel Lease and DDA to sublease, license or otherwise allow others to use the Port Premises and to grant leasehold deeds of trust covering the Total Premises, for the purposes described in Section 4 below, and the Port hereby authorizes the MTA to enter into the DDA and the Hotel Lease and to include the Port Premises within the Total Premises covered by the DDA and the Hotel Lease. Notwithstanding the foregoing, at no time may MTA convey fee title to the Port Premises or encumber the Port Premises except as contemplated herein.

3. Term. The Term of this MOU shall commence on the Commencement Date of the Hotel Lease and shall terminate upon the expiration or earlier termination of the Term of the Hotel Lease; provided, however, that, subject to the provisions of this Section, in no event shall the term of this MOU extend beyond the date that is sixty-six (66) years after the Commencement Date of the Hotel Lease (the "Termination Date"). Except for the Permitted Building Encroachment License described in Section 5 below, which shall not be terminable prior to the expiration or earlier termination of the Term of the Hotel Lease, and subject to the cure provisions of Section 6.1 below, this MOU shall terminate if the MTA uses or causes the Port Premises to be used for the purposes other than the permitted uses described in Section 4 below. Upon the termination of this MOU, the MTA shall surrender or cause to be surrendered to Port the Port Premises in good order and condition, normal wear and tear and damage by casualty excepted. Notwithstanding any of the foregoing to the contrary, in the event that the Termination Date occurs prior to the expiration or earlier termination of the Term of the Hotel Lease, the Port hereby agrees that the term of this MOU shall automatically, without the need for any action on the part of either the Port or the MTA, continue on a month-to month basis for a period ending no later than the date of the expiration or earlier termination of the Term of the Hotel Lease.

4. Permitted Use. The Port Premises may be used as landscaped and hardscaped open space and for outdoor seating for a restaurant/café associated with the Project, including temporary screens, barriers, and lightweight roofing enclosing such seating areas; for screening

of the vent shaft structure; for access to subgrade PG&E and Muni utilities; for placement of the labor workers' memorial sculpture that is located, as of the date of this MOU, on the corner of Mission and Steuart Streets; for construction staging of the proposed hotel building during initial construction of the hotel or any repair or rebuilding of the hotel following an event of damage or destruction; for bicycle parking for hotel employees and guests only; and for such other uses that are both (i) consistent with the City's Charter, the Burton Act and any other applicable laws, and (ii) approved in writing by the Port's Executive Director, in his or her sole and absolute discretion. Notwithstanding any of the foregoing to the contrary, any material changes in the type or intensity of use of the Port Premises from the use contemplated and approved by MTA in connection with the Project, or the construction of permanent improvements or structures on the Port Premises other than those contemplated and approved by MTA in connection with the Project, shall be subject to the consent of the Port by resolution.

5. License for Project Encroachments. Effective as of the commencement of the Term of the Hotel Lease, the Port hereby grants to Tenant a license to construct and maintain encroachments over the Port Premises air space of building elements attached to the Improvements for bay windows, cornices, the top portion of the turret situated in the southwest corner of the MTA Premises, and for belt courses, all of which shall be located a minimum of 7.5 feet above grade and shall comply with the provisions of San Francisco Planning Code Section 136 for obstructions over public streets and alleys (the "Permitted Building Encroachment License"). The term of the Permitted Building Encroachment License shall commence on the commencement of the Term of the Hotel Lease and shall expire upon the expiration or earlier termination of the Hotel Lease. In consideration of the Permitted Building Encroachment License, Tenant shall pay to the Port the sum of One Dollar ($1.00) annually, payable in advance upon the execution of this MOU.

6. Maintenance; Port Free from all Costs and expenses Related to the Port Premises. At all times during the Term of this MOU, the MTA shall maintain, or cause to be maintained, the Port Premises in a good, clean and safe condition. In the event that the MTA or Tenant or any of their agents or invitees cause any damage (excepting ordinary wear and tear) to the Port Premises, the MTA shall promptly repair, or cause to repaired, at no cost to Port, any such damage. Under no circumstances shall the Port be obligated to perform any maintenance, repairs, replacement or renewals of any kind, nature or description whatsoever to the Port Premises nor to any alterations now or hereafter located thereon, or be obligated to pay any other expenses related to the use, occupancy, operation or enjoyment of the Port Premises. Subject to Section 6 below, in the event that MTA defaults with respect to MTA's obligations under this Section, the Port may, upon reasonable written notice to MTA, enter upon the Port Premises and perform such repair or maintenance, at MTA's sole cost and expense.

7. Default by MTA.

7.1 Event of Default. The occurrence of any one or more of the following events shall constitute a default by MTA: (a) abandonment or vacation of the Premises by MTA; or (b) failure to perform any other provision of this MOU if the failure to perform is not cured within

thirty (30) days after written notice has been given by Port to MTA and Tenant; provided, however, that if the default cannot reasonably be cured within 30 days, MTA shall not be in default of this MOU if MTA or Tenant commences to cure the default within such thirty (30) day period and diligently and in good faith continues to cure the default. MTA shall be deemed to have commenced to cure any such default and to be diligently and in good faith continuing to cure such default provided that MTA notifies Tenant under the terms of the Hotel Lease of any such default and pursues its rights and remedies under the Hotel Lease.

7.2 Port's Remedies. Upon default by MTA, Port shall, upon written notice to MTA and Tenant, have the ability to terminate this MOU and MTA's right to possession thereof, except for the Permitted Building Encroachment License, which shall terminate in accordance with Section 5 above.

8. Entry. Without otherwise affecting the rights of the Port as a regulatory agency, Port in its proprietary capacity may enter upon the Port Premises at such times and upon such notice as is consistent with the provisions regarding entry by City under the terms of the Hotel Lease.

9. Relationship to Roadway MOU. From and after the commencement date of the term hereof, this MOU shall wholly replace the terms and conditions of Paragraph 11 of the Roadway MOU as it affects the Port Premises.

10. Indemnity. The MTA shall indemnify and hold harmless the Port, or cause the Port to be indemnified and held harmless from, against any and all claims, damage or loss (together, "Losses") arising out of the use of the Port Premises by the MTA or Tenant pursuant to this MOU, except to the extent that such Losses were caused by the gross negligence or willful misconduct of the Port, its agents or invitees.

11. Further Assurance. The General Manager of Muni and the Executive Director of the Port shall, and are hereby authorized to, execute and acknowledge such other and further documents as may be necessary or reasonably required to achieve the purposes and objectives of this MOU.

12. Successors. The terms, covenants, agreements and conditions set forth in this MOU shall bind and inure to the benefit of the Port and the MTA, and their personal representatives and successors and assigns, including any entities that succeed to their respective obligations under applicable law.

13. Counterparts. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have caused this MOU to be executed by their duly appointed representatives as of the date first above written.

SAN FRANCISCO PORT COMMISSION

By: _____
DOUGLAS F. WONG
Executive Director, Port of San Francisco

Dated: _____, 2000

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, successor-in-interest to the SAN FRANCISCO PUBLIC TRANSPORTATION COMMISSION

By: _____
MICHAEL BURNS
General Manager, Municipal Railway

Dated: _____, 2000

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: _____
Deputy City Attorney

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: _____
Deputy City Attorney

Port Commission Resolution No. _____

Tenant hereby joins in the execution of this MOU for the limited purpose of acknowledging the grant of the Permitted Building Encroachment License and agreeing to pay the consideration for the Permitted Encroachment Permit, all as set forth in to Section 5 above.

MISSION & STEUART HOTEL PARTNERS, LLC, a California limited liability company

By: JOY OF LIFE CLUB III, LLC, a California limited liability company,
its Co-Managing Member

By: _____
Stephen T. Conley, Jr.
Managing Member

By: EGB II, LLC, a California limited liability company,
its Co-Managing Member

By: _____
S. Osborn Erikson
Managing Member

EXHIBIT A

Legal Description of the Port Premises

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-52

WHEREAS, in 1998, the Port Commission approved a Memorandum of Understanding (the "Roadway MOU"), with the City's Public Transportation Commission ("PTC") and other City departments related to the construction of the Mid-Embarcadero Roadway Project, whereunder the PTC paid the Port $8,524,000 for the surface easement rights to a variety of parcels under the jurisdiction of the Port, including an approximately 8,800 square foot parcel located between the Embarcadero and Mission and Steuart Streets (the "Port Premises"); and

WHEREAS, the Municipal Transportation Agency ("MTA"), the successor-in-interest to the PTC, intends to enter into a development agreement and 65 year ground lease (including options) ("Hotel Lease") with Mission & Steuart Hotel Partners, LLC ("Tenant") to construct and operate an approximately 201-room hotel and related facilities on City-owned property located at Mission and Steuart Streets in San Francisco; and

WHEREAS, the MTA has asked the Port to enter into an Memorandum of Understanding ("MOU") that would allow the MTA to include the Port Premises under the Hotel Lease for landscaped and hardscaped open space and outdoor seating for the hotel's restaurant/café as more particularly described in the MOU without further compensation to the Port, based upon the fact that MTA has already paid fair market value to the Port for the surface easement rights over the Port Premises as part of the Mid-Embarcadero Roadway Project; and

WHEREAS, because construction of the hotel project on the MTA Premises involves certain building elements that will encroach over the air space of the Port Premises, including bay windows, cornices, the southwest turret, and belt courses, MTA and the Tenant have asked the Port to directly grant it an encroachment license that will allow these air space encroachments for so long as the Hotel Lease remains in effect; and

WHEREAS, the San Francisco Planning Department has undertaken an environmental review process for the hotel project and provided for appropriate public hearings before the San Francisco Planning Commission; and,

WHEREAS, on August 21, 1999, the Planning Department released for public review and comment the Draft Environmental Impact Report, File No. 98.604E ("DEIR"), and on December 16, 1999, the Planning Commission held a duly noticed public hearing on the DEIR and further written comments were received thereafter; and,

WHEREAS, the Planning Department prepared a Final Environmental Impact Report ("FEIR") for the hotel project, consisting of the DEIR, the comments received during the review period, any additional information that became available, and the Draft Summary of Comments and Responses, all as required by law; and

WHEREAS, on June 1, 2000, the Planning Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the provisions of the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code; and,

WHEREAS, on June 1, 2000, the Planning Commission found that FEIR was adequate, accurate and objective, reflected the independent analysis and judgment of the Planning Department and the Planning Commission, and that the summary of comments and responses contained no significant revisions to the DEIR, and certified the completion of the FEIR for the hotel project in compliance with CEQA and the CEQA Guidelines; and

WHEREAS, on June 1, 2000, the Planning Commission adopted findings concerning the environmental impacts of the hotel project, a statement of overriding considerations, and a mitigation monitoring program, pursuant to CEQA and the CEQA Guidelines (together, the "CEQA Findings"), which CEQA Findings are incorporated herein by this reference; and

WHEREAS, the FEIR, the CEQA Findings and other project-related files have been made available for review by the San Francisco Port Commission, and those files are on file with the Secretary of the San Francisco Port Commission, and are part of the record before this San Francisco Port Commission; and

WHEREAS, this San Francisco Port Commission has reviewed and considered the information contained in the FEIR and the CEQA Findings; and

WHEREAS, the Planning Commission found on June 1, 2,000, that that the hotel project as contemplated by the DDA and the Lease is consistent with the City's General Plan, and with the Eight Priority Policies of City Planning Code Section 101.1; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby adopts and incorporates herein by reference the CEQA Findings for the hotel project adopted by the Planning Commission on June 1, 2000, copies of which are on file with the Secretary of the San Francisco Port Commission, as though such findings were fully set forth in this resolution; and, be it further

RESOLVED, that the San Francisco Port Commission finds that the mitigation measures identified in the FEIR as E.1 and E.6 would substantially reduce to a level of insignificance the hotel project's potential effects on construction-related transportation as described in the FEIR because the San Francisco Municipal Railway will be relocating its buses from the Site prior to the commencement of construction, and assures service to the vicinity of the Site during construction, and the San Francisco Port Commission hereby adopts mitigation measures E.1 and E.6 and requires MTA to cause the Tenant to implement those measures as a condition to its approval of this Resolution; and, be it further

RESOLVED, that pursuant to California Public Resources Code § 21166 and CEQA Guidelines 15162, and based upon the San Francisco Port Commission's review of the FEIR, the San Francisco Port Commission finds that: (1) there are no substantial modifications in the hotel project that would require important revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the hotel project is to be undertaken which would require major revisions to the FEIR due to the involvement of significant effects or a substantial increase in the severity of effects identified in the FEIR; and (3) no new information of substantial importance to the hotel project has become available which would indicate (a) the hotel project or the actions will have significant effects not discussed in the FEIR, (b) significant environmental effects would be substantially more severe, (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible, or (d) mitigation measures or alternatives which are considerably different from those in the FEIR would substantially reduce one or more significant effects on the environment; and, be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director or his designee to execute that Memorandum of Understanding, substantially in the form on file with the Secretary of the Port Commission for this Item, and be it further

RESOLVED, that the Executive Director is further authorized to take all such further action as is necessary to implement the Memorandum of Understanding, including executing all such further assurances and documents as may be requested by MTA in such form as is approved by the City Attorney and which do not materially increase the Port's obligations or liabilities with respect to the Memorandum of Understanding or the Port Premises.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 13, 2000.

_____
Secretary

JUN-08-2000 12:31

CEQA FINDINGS

document1

Case File No.: 1998.604E
Mission Steuart Hotel
Assessor's Block/Lot -
3714/6, 7, 8, 9, and 17

SAN FRANCISCO

PLANNING COMMISSION

MOTION NO. 15074

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED MISSION STEUART HOTEL PROJECT LOCATED ON ASSESSOR'S BLOCK 3714, LOTS 6, 7, 8, 9, AND 17, LOCATED ON THE NORTHEAST CORNER OF MISSION AND STEUART STREETS.

MOVED, That the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as Case File No. 98.640E, Mission-Steuart Hotel, including construction of a hotel with accessory uses following relocation of MUNI bus layover functions, (hereinafter "Project") based upon the following findings:

1) The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et. seq., (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

a. The Department determined that an EIR was required and provided public notice of that determination by publication in a newspaper of general circulation on May 8, 1999.

b. On August 21, 1999, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Commission public hearing on the DEIR on Thursday, September 23, 2000. This notice was mailed to the Department's list of persons requesting such notice. The public hearing was further continued to December 16, 1999.

c. Notices of availability of the DEIR and of the date and time of the public hearings were posted near the Project site by Department staff on August 23, 1999.

d. On August 21, 1999, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies.

e. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on August 21, 1999.

2) The Commission held a duly advertised public hearing on said DEIR on December 16, 1999, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on December 16, 1999.

3) The Department prepared responses to comments on environmental issues received at the public hearings and in writing during the 87-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a "Draft Summary of Comments and Responses," published on April 27, 2000, which was distributed to the Commission and to all parties who commented on the DEIR, and was available to others upon request at Department offices.

4) A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any comments received during the review process, any additional information that became available, and the Summary of Comments and Responses, all as required by law.

5) Project Environmental Impact Report files have been made available for review by the Commission and the public. These files are available for public review at the Planning Department offices, and are part of the record before the Commission.

6) On June 1, 2000, the Commission reviewed and considered the FEIR and found that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31.

7) The Commission hereby does find that the FEIR concerning Case File No. 98.640E reflects the independent judgment of the City and County of San Francisco: is adequate, accurate and objective; and that the Summary of Comments and Responses contains no significant revisions to the DEIR; and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA and the CEQA Guidelines.

8) The Commission, in certifying the completion of said FEIR, hereby does find that the Project described in the Environmental Impact Report with the incorporation of the mitigation measures described in the Initial Study and FEIR will not have any significant unavoidable environmental impacts.

I hereby certify that the foregoing Motion was ADOPTED by the City Planning Commission at its regular meeting of June 1, 2000.

Linda Avery
Commission Secretary

MOTION NO.: 15074
VOTE: +6, -0
ABSENT: Chinchilla

SAN FRANCISCO

PLANNING COMMISSION

RESOLUTION NO. 15075

ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND STATE CEQA GUIDELINES, RELATED TO THE APPROVAL BY THE PLANNING COMMISSION OF THE PROPOSED MISSION STEUART HOTEL PROJECT.

RECITALS

1. On July 23, 1998, the Mission and Steuart Hotel Partners, LLC and the San Francisco Municipal Railway (MUNI), ("Project Sponsors") filed with the City and County of San Francisco Planning Department ("Department") an Environmental Evaluation Application No. 1998.604E, for a hotel project and MUNI layover relocation and a hotel project with associated commercial, retail and parking ("Project") at Assessor's Block 3714, lots 6, 7, 8, 9, and 17, located on the northeast corner of Mission and Steuart Streets.

2. On August 21, 1999, the Department released for public review and comment the Draft Environmental Impact Report ("DEIR") for the Project.

3. The Planning Commission held a public hearing on the DEIR on December 16, 1999, and written public comments on the DEIR were received until December 16, 1999.

4. The Department prepared a Final Environmental Impact Report ("FEIR") for the Project, consisting of the DEIR, the comments received during the review period, and additional information that became available and the Draft Summary of Comments and Responses, all as required by law.

5. On June 1, 2000, the Planning Commission reviewed and considered the FEIR and by Motion No. 15074 found that the contents of the FEIR and the procedures through which it was prepared, publicized and reviewed, complied with the provisions of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

6. On June 1, 2000, by Motion No. 15074, the Planning Commission ("Commission") certified the FEIR and found the FEIR to be adequate, accurate, and objective, and reflecting the independent judgement of the Planning Commission.

7. In reviewing the Project, the Department and the Commission have reviewed and considered the information contained in the FEIR in accordance with the requirements of CEQA, the State CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

8. In reviewing the Project, the Commission has also had available to it for its review and consideration the FEIR files, and other Project-related Department files, including studies, letters, plans, and other materials pertaining to the Project in the Department's case files, has reviewed and heard testimony and has received materials from interested parties during the public hearings on the Project.

RESOLVED, that the Planning Commission has reviewed and considered the FEIR and hereby adopts the Project Findings attached hereto as Exhibits A, and incorporates the same herein by this reference.

I hereby certify that the foregoing Resolution was ADOPTED by the City Planning Commission at its regular meeting of June 1, 2000.

Linda Avery
Commission Secretary

MOTION NO.: 15075
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ABSENT: Chinchilla

EXHIBIT A

SAN FRANCISCO PLANNING COMMISSION CEQA FINDINGS:

MISSION-STEUART HOTEL PROJECT

I. INTRODUCTION

The following environmental findings ("Findings") in connection with the Mission-Steuart Hotel Project ("Project") are hereby adopted by the San Francisco Planning Commission ("Commission") pursuant to the requirements of the California Environmental Quality Act, Public Resources Code Sections 21000, et seq. ("CEQA"), the state CEQA Guidelines, 15 California Code of Regulations Sections 15000 et seq.(the "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code.

The Project and its environmental impacts are described and analyzed in the Mission-Steuart Hotel Final Environmental Impact Report ("FEIR"), which the Commission certified on June 1, 2000. The FEIR consists of the Draft Environmental Impact Report ("DEIR"), all comments received during the review process, the responses to those comments, and additional information that became available after the publication of the DEIR (presented in the Draft Summary of Comments and Responses). The San Francisco Planning Department is the lead agency for purposes of CEQA review of the Project.

The Commission has relied on the FEIR and associated background and reference documents, as the environmental review documents under CEQA for purposes of adoption of the Project. The information contained in the FEIR and all other documents and materials, including public testimony and submissions, that constitute the record of proceedings for the Project have been available for review and consideration by the Commission. The Commission has reviewed and considered this information and finds that it provides substantial evidence in support of these CEQA Findings.

This CEQA Findings document is organized as follows:

Section II provides a description of the Project, including the Project Sponsors' objectives, the City's Objectives, and how the Project would meet those objectives.

Section III sets forth the Commission's findings regarding the environmental impacts of the Project.

Section IV sets forth the economic, legal, technological, social and other considerations which support the rejection of the alternatives analyzed in the FEIR.

Section V sets forth findings as to the disposition of each of the mitigation measures proposed in the FEIR. Mitigation measures are grouped in the following categories: (1) those adopted by the Commission; and (2) those recommended for adoption and enforceable by agencies other than the Commission. Exhibit B, attached to the Commission motion, contains the Mitigation Monitoring Program.

Section VI sets forth the Commission's statement of overriding considerations for the Project.

II. PROJECT DESCRIPTION

A. PROJECT SUMMARY

1. Project Setting

The Project site is located at the northeast corner of Mission and Steuart Streets in San Francisco. The site is located about one-half block south of Market Street near the Ferry Building, in the Ferry Building sub-area of the Northeastern Waterfront Plan Area (assessor's Block 3714, Lots 6, 7, 8, 9 and 17). Mid- to high-rise commercial uses and open space generally surround the Project site. The site is in a P (Public) Zoning District. Lot 17 has an O.S. (Open Space) height and bulk designation, and the remainder of the lots comprising the site have an 84-E designation.

A portion of the Project site, consisting of approximately 8,800 square feet of unimproved space and running generally along the Embarcadero, is owned by the Port of San Francisco (the "Port") and is included as part of the site pursuant to the terms and conditions of a proposed Memorandum of Understanding ("MOU") between the San Francisco Municipal Railway ("MUNI") and the Port (the "Port Parcel").

The Project site is owned by the City and County of San Francisco, operating through the Municipal Transportation Agency. The Project site is currently used as a MUNI bus layover yard, accommodates a vent shaft structure associated with the underground MUNI Tunnel, and includes portable restroom facilities for MUNI drivers.

2. Project Description

The Project involves an amendment to the Northeast Waterfront Element of the General Plan, rezoning of the Project site, relocation of MUNI bus layover functions to nearby street curbsides, and the joint development of the site by MUNI and Mission & Steuart Hotel Partners, LLC, a private project sponsor ("Developer"), pursuant to which the Developer would construct a hotel with accessory uses following relocation of MUNI bus layover functions. The Developer would lease the site from MUNI and provide MUNI with a long-term revenue stream.

As described in the FEIR, the Project consists of the construction of a 200 to 210 room hotel. The Project would be approximately 137,000 gross square feet in area, and would include approximately 3,000 square feet of outdoor eating space on the Port Parcel, 4,050 to 6,250 square feet of retail and restaurant/café space, 2,200 square feet of meeting room space, 3,800 square feet of valet parking, one off-street loading space and six bicycle spaces.

The Project will be built within the existing 84-foot height limit for the site, and will taper from eight floors on its Mission Street frontage to four floors on its north side. The Project will integrate the MUNI F Trolley line historic street car stop, which will be adjacent to the hotel and will provide shelter for passengers. The Project will also

include one men's bathroom and one women's bathroom for exclusive use by MUNI operators/employees in the vicinity of the F trolley line historic street car stop. Pursuant to the terms and conditions of a sublease between the Developer and the Market Street Railway Company, the Developer will sublease to the Market Street Railway Company approximately 1,050 square feet of ground floor retail space immediately adjacent to the street car stop for an historic street car memorabilia shop, the proceeds of which will be used to support MUNI's vintage street car program.

3. Project Approvals

The Project requires a series of approvals by the City that together define the terms under which the Project may proceed. These include the following major permits and approvals and related collateral actions:

a. Planning Commission approval of the application for an amendment to Map 2 of the Northeastern Waterfront Element of the General Plan, and of application to change the Height and Bulk limit of Lot 17 from O.S. (Open Space) to 84-E.

b. Planning Commission approval of the application to rezone the Project site from P (Public) to C-2 (Community Business).

c. Planning Commission determination, with the advice of the Recreation and Park Commission and its General Manager, of the impact of the Project's shadow on the use of Embarcadero Plaza II, pursuant to Planning Code § 295.

d. Planning Commission approval of the application under Planning Code §§ 303(f) and 216(b) for Conditional Use authorization for a hotel in a C-2 District, and under Planning Code § 271 to permit an exception from the bulk limitation at the southern portion of the Project site.

e. Planning Commission adoption of a finding of consistency with the General Plan and the priority policies set forth in Planning Code § 101.1

f. Zoning Administrator approval of a parking variance if the Project site is rezoned to C-2.

g. Board of Supervisors approval of General Plan map amendment, height and bulk district amendment, zoning map amendment, the lease, and the Lease Disposition Agreement.

h. Department of Public Works approval of a lot merger of Lots 6, 7, 8, 9 and 17 of Block 3714.

i. Municipal Transportation Agency approval of the MOU with the Port, the Lease and the Lease Disposition Agreement.

j. Municipal Transportation Agency authorization to relocate MUNI bus routes and the bus layover site for buses that currently layover on the Project site.

k. San Francisco Arts Commission approval of the Project design pursuant to San Francisco Charter § 5.103.

l. Port Commission approval of the MOU with MUNI regarding the use of the Port Parcel.

m. Department of Building Inspection issuance of site and building permits.

Only approvals (a) through (e) are before the Planning Commission at this time.

B. PROJECT OBJECTIVES

1. Project Sponsors' Objectives

The FEIR, information submitted by the Project Sponsors and public testimony identify the Project Sponsor's objectives which are essential to the Project's success.

The Municipal Transportation Agency has established transit and community objectives concerning the Project. These objectives include the following:

a. Create a development that produces a reliable, long-term revenue stream for the Municipal Transportation Agency to capture and employ in the future financing needs of MUNI, without materially negatively impacting MUNI service.

b. Create a development that insures that MUNI's F Trolley Line will be provided a safe, secure and attractive station stop that is incorporated into the development.

c. Encourage a development that embraces the F Trolley Line stop and provides architectural designs that supports and embellish the F Trolley Line.

d. Create a development that encourages use of the F Trolley Line by visitors, residents and workers from the neighborhood.

e. Create a development that accommodates MUNI's ongoing operational needs in the area, including assures all access to the vent facilities of the MUNI's underground operation beneath the site.

f. Accomplish the development through a plan that assures that the relocation of the bus layover activities is completed in a manner that meet the needs of the MUNI's operations and operators and which seeks to improve the level of transit service.

The Developer's objective is to own and operate a boutique hotel, which creates an adequate return for its investors, adequate security for its lenders, and which is located at a public transit center and along a central portion of the F Trolley line.

2. **City's Objectives**

In addition to the Project Sponsor's objectives, the Commission hereby identifies the following City objectives:

a. Create a land use development that is more compatible with the surrounding area and which allows for the relocation of the bus layover operation, an essentially incompatible use at a site which lies in an area of downtown commercial, visitor, and residential uses.

b. Create a development which is supportive of the City's adopted Northeast Waterfront Plan.

c. Create a development that is compatible with, and complimentary to, the diverse mix of commercial uses that exist on the three adjacent blocks.

d. Create a development which is compatible with the Mid-Embarcadero roadway, transit and pedestrian improvement plans and designs, soon to be implemented., and which enhances the substantial public investment the City is making in the area.

e. Create a development that is designed in a manner that enhances the relationship between the site and the open space which is adjacent to the north, encouraging pedestrian, visual and urban design linkages.

f. Create a development which provides San Francisco residents and visitors with an attractive, lively combination of uses generating activity within the neighborhood during both day and evening hours.

g. Create a development which attracts, supports and enhances pedestrian and transit movements to, from and around the site.

h. Create a development which generates new tax revenues, provides new jobs and supports the City's programs for enhancing employment opportunities for economically disadvantaged persons.

C. THE PROJECT MEETS THE PROJECT OBJECTIVES

The Project represents the combination of features which, in the judgment of the Commission, most closely achieves the Project Sponsors' objectives and the City's objectives. The project achieves these objectives for the reasons set forth below.

1. **Project Sponsors' Objectives**

a. The Project will produce a reliable, long-term revenue stream for the Municipal Transportation Agency to capture and employ in the future financing needs of MUNI. It is estimated that the average ground lease payments from the hotel to MUNI will be $4.2 over the 65-year term of the proposed ground lease, for a total of $275 million in ground lease payments.

b. The Project will construct a safe, secure, attractive and sheltered station stop for MUNI's F Trolley line incorporated into the hotel development.

c. By incorporating a sheltered station stop adjacent to the hotel, the Project will embrace and enhance the F Trolley Line stop. The architectural design of the hotel Project is supportive and will embellish the F Trolley line stop by incorporating the stop shelter into the design of the hotel.

d. The Project will encourage use of the F Trolley line by visitors, residents and workers from the neighborhood by incorporating into the hotel development a safe, secure, attractive and sheltered station stop for MUNI's F Trolley line and by the hotel operator offering free MUNI fast passes to its employees.

e. The Project will assure that all operational, access and utility needs associated with MUNI's operations in the area, including the vent facilities of MUNI's underground operation beneath the site, are accommodated by setting the hotel structure back from the sides of the existing vent shaft structure, by avoiding extensive excavation or basement levels on site, and by requiring the developer to construct and operate the hotel in a way that does not interfere with MUNI's operations.

f. The proposed bus layover relocation plan will meet the needs of MUNI's operations and will not adversely impact ridership or significantly impact MUNI's costs. All lines except one (the No. 2, which is to be reassigned to the Transbay Terminal) will lay over on Steuart Street or at the corner of Mission and Main, which is only two blocks away from the Project site. Thus, the vast majority of passengers would experience a change in service location of two blocks or less. Moreover, the vast majority of the passengers, including those who transfer to the lines from other nearby transit systems (BART, ferries), currently board or exit buses at stops near the layover yard rather than at the layover site itself.

g. The Project as proposed is sufficiently large to meet the Developer's objectives to own and operate a boutique hotel that will return an adequate return for its investors and adequate security for its lenders, and located at a public transit center and along a central portion of the F Trolley line.

2. **City's Objectives**

a. The Project involves the relocation of the bus layover operation, an incompatible use of the Project site, which lies in an area of downtown commercial, visitor and residential uses.

b. The Project is supportive of the Northeastern Waterfront Plan because the Project constructs a visitor facility in a location that will enhance the mix of uses in the area; provides limited parking facilities; provides pedestrian amenities and transit access improvements; minimizes shadows and wind on public open space; provides a transition between the intense concentration of office activity in the downtown area and the recreational activities of the waterfront; and generates activity during evenings and weekends to complement the weekday downtown office uses.

c. The Project includes a hotel, restaurant space, retail space, and a sheltered F Trolley Line stop, which will be compatible with, and complimentary, to the diverse mix of commercial uses that exist on the three adjacent blocks, including office, retail and other visitor uses.

d. The Project is compatible with the Mid-Embarcadero roadway, transit and pedestrian improvement plans and designs and enhances the substantial public investment the City is making in the area by offering visitor accommodations, round the clock pedestrian activity, outdoor restaurant seating, a pedestrian friendly design, and a sheltered stop for the F Trolley line, and by minimizing new shadows on the adjacent public open space.

e. The Project will enhance the relationship between the site and the open space adjacent to the north and encourage pedestrian, visual and urban design linkages by masking the unattractive MUNI vent shaft structure on the Project site; providing a sheltered F Trolley line stop; providing a ground-floor memorabilia store for the historic streetcar program; and providing pedestrian amenities around the site, including an outdoor seating area for the hotel restaurant along the Embarcadero.

f. The Project will provide San Francisco residents and visitors with an attractive, lively combination of uses generating activity within the neighborhood during both day and evening hours, including approximately 200-210 hotel rooms, a restaurant with outdoor seating, and a memorabilia store for MUNI's historic streetcar program.

g. The Project will attract, support and enhance pedestrian and transit movements to, from and around the site by relocating bus layover functions to several nearby curbside sites in the Project vicinity, by providing a sheltered stop for the F Trolley line, and by providing pedestrian amenities on all sides of the hotel.

h. The Project will create a substantial number of new jobs. It is anticipated that once the project is fully operational, approximately 250 permanent full-time employees will work there. Development of the Project will also generate about 200 construction jobs. The Developer and its subtenants will participate in the City's First Source Hiring Program and program in Diversity to enhance employment opportunities for persons receiving public assistance and other qualified economically disadvantaged persons. In addition, Joie de Vivre, the hotel operator, has committed to work with the Tenderloin Neighborhood Development Corporation in developing a youth hospitality training program to allow local teens to learn the hotel business. Joie de Vivre has already offered to Local 2 that the project will be operated with union representation, and in compliance with the City's Card Check Ordinance. The Project will generate significant new property, sales, hotel and payroll tax revenues for the City.

III. ENVIRONMENTAL IMPACTS OF THE PROJECT

The Commission bases the findings below on the analysis and information presented in the FEIR, the associated background documents and reference materials, public testimony and submittals, and information submitted by the Project Sponsors, that constitute the record of proceedings for this Project.

1. Construction-Related Noise

The Commission finds that the Project could have a potentially significant impact on construction-related noise levels, if feasible noise controls are not implemented. If mitigation measures A.1, A.2 and A.3 identified in the FEIR are implemented as part of the Project, those measures would substantially reduce construction-related noise to a less

than significant effect. Mitigation measures A.1, A.2, and A.3, if implemented, would ensure that peak noise levels generally would not exceed the 80-dBA criterion at 100 feet, except for pile drivers.

Mitigation measures A.1, A.2, and A.3 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of the Department of Building Inspection. The Commission finds that the Department of Inspection can and should adopt mitigation measures A.1, A.2, and A.3, or equivalent measures that would reduce the potential impacts on constriction-related noise to a level of insignificance.

The Commission requires the Project Sponsors to implement mitigation measures A.1, A.2 and A.3 or equivalent measures, as part of the Project, as a condition of Project approval, and finds that the Project would not have a significant construction-related noise impact.

2. Pile Driving Noise

The Commission finds that pile driving proposed as part of the Project could have a potentially significant impact on noise levels. If mitigation measures B.1 through B.5 identified in the FEIR are implemented as part of the Project, those measures would substantially reduce pile driving noise impacts to a less than significant level, because those measures would lessen the noise associated with pile driving, and because pile driving noise would be temporary.

Mitigation measures B.1 through B.5 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of the Department of Building Inspection. The Commission finds that the Department of Building Inspection can and should adopt mitigation measures B.1 through B.5, or equivalent measures that would reduce the potential impacts on pile driving noise to a level of insignificance.

The Commission requires the Project Sponsors to implement mitigation measures B.1 through B.5, or equivalent measures, as part of the Project, as a condition of Project approval, and finds that the Project would not have a significant impact on pile driving noise.

3. Construction Air Quality

The Commission finds that Project construction activities could have a temporary potentially significant impact on air quality due to localized increased dustfall and elevated levels of fine particulate matter. If mitigation measures C.1 and C.2 identified in the FEIR are implemented as part of the Project, those measures would substantially reduce construction air quality impacts to a less than significant level, because emissions of dustfall and fine particulate matter would be minimized and because construction air quality impacts would be temporary.

Mitigation measures C.1 and C.2 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of the Department

of Building Inspection. The Commission finds that the Department of Building Inspection can and should adopt mitigation measures C.1 and C.2, or equivalent measures that would reduce the potential impacts on constriction air quality to a level of insignificance.

The Commission requires the Project Sponsors to implement mitigation measures C.1 and C.2 or equivalent measures, as part of the Project, as a condition of Project approval, and finds that the Project would not have a significant impact on construction air quality.

4. **Archaeological Resources**

The Commission finds that the Project could have potentially significant impacts on cultural resources. As discussed in the FEIR, it is possible that deposits of potentially significant subsurface archaeological resources exists at one or more locations within the Project site. Archaeological materials have been discovered within one to two blocks of the Project site. The Commission finds that if mitigation measure D.1 identified in the FEIR is implemented as part of the Project, that measure would substantially reduce this potential impact to a level of insignificance, because an archaeologist and the City would assess the significance of any subsurface resources and determine their proper disposition

The Commission adopts mitigation measure D.1. as a condition of Project approval, requires the Project Sponsors to implement mitigation measure D.1 as part of the Project, and finds that the Project would not have a significant impact on archaeological resources.

5. **Transportation - Passenger Loading**

During periods of peak use of the porte-cochère, vehicles may periodically queue back onto Mission Street and conflict with traffic and transit operations, thereby creating a potentially significant passenger loading impact. The Commission finds that if mitigation measure E.2 identified in the FEIR is implemented as part of the Project, that measure would substantially reduce this potential impact to a level of insignificance. Mitigation measure E.2 would require the Project Sponsors to expand the porte-cochère, or establish a white zone on the north side of Mission Street to the east of the porte-cochère to accommodate two vehicles in an on-street loading area. Thus, mitigation measure E.2 would avoid traffic flow disruption on Mission Street.

The Commission finds that if mitigation measure E.3 identified in the FEIR is implemented as part of the Project, that measure would avoid or substantially reduce to a level of insignificance any potentially significant impacts related to tour bus loading. Measure E.3 would requires the establishment of a white zone on the east side of Steuart Street to accommodate tour bus loading, and would avoid any transportation impacts related to tour bus loading.

Mitigation measures E.2 and E.3 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of the Department of Parking and Traffic. The Commission finds that the Department of Parking and Traffic can and should adopt mitigation measures E.2 and E.3, or equivalent measures that would reduce the potential impact to a level of insignificance.

The Commission requires the Project Sponsors to implement mitigation measure E.2 and E.3, or equivalent measures, as part of the Project, as a condition of Project approval, and finds that the Project would not have a significant transportation – passenger loading impact.

6. Transportation – Construction-Related

The Commission finds that the Project could have potentially significant temporary construction-related transportation impacts. The Commission finds that if mitigation measures E.1, E.4, E.5 and E. 6 identified in the FEIR are implemented as part of the Project, those measures would substantially reduce such potential impacts to a level of insignificance, because the measures would require the relocation of all buses from the layover yard prior to the commencement of on-site construction; limit Project construction staging to two streets; maintain travel lanes during construction on those streets; and maintain a safe pedestrian passage on the Embarcadero for the duration of the Project, and because construction-related transportation impacts would be temporary.

Mitigation measure E.1 and E.6 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of MUNI and the Department of Public Works. Mitigation measures E.4 and E.5 are outside of the jurisdiction of the Commission and the Planning Department, and under the jurisdiction of the Department of Parking and Traffic, and Department of Public Works, respectively. The Commission finds that the Department of Public Works and MUNI, can and should adopt mitigation measures E.1 and E.6, that the Department of Parking and Traffic can and should adopt measures E.4, and the Department of Public Works can and should adopt mitigation measure E. 5, or equivalent measures that would reduce the potential impacts to a level of insignificance.

The Commission requires the Project Sponsors to implement mitigation measures E.1, E.4, E.5 and E.6, or equivalent measures, as part of the Project, as a condition of Project approval, and finds that the Project would not have significant construction-related transportation impacts.

7. Shadow

The Commission finds that the Project as currently proposed would not have a significant shadow impact on Justin Herman Plaza. Subsequent modifications in the Project design could result in a potentially significant shadow impact. However, the Commission finds that if mitigation measure F.1 identified in the FEIR is implemented as part of the Project, that measure would substantially reduce this potential impact to a level of insignificance. Mitigation measure F.1 would require the Project Sponsors to ensure that any design modifications would not result in shadow on Justin Herman Plaza that is greater or qualitatively different from the proposed Project shadow impact analyzed in the FEIR. Accordingly, the Commission adopts mitigation measure F.1. as a condition of Project approval, requires the Project Sponsors to implement mitigation measure F.1 as part of the Project, and finds that the Project would not have a significant shadow impact.

8. Other Impacts

The Commission finds that the remaining environmental impacts of the Project analyzed in the FEIR would not be significant.

IV. ALTERNATIVES

A. ALTERNATIVES REJECTED AND REASONS FOR REJECTION

The FEIR analyzed alternative sites for the Project and alternative configurations of the Project itself. The Commission rejects the alternatives analyzed in the FEIR and finds them infeasible for the reasons set forth below.

1. Off-Site Alternatives

Alternative Project sites considered in the FEIR include: the Kirkland bus yard in Fisherman's Wharf and Assessor's Blocks 202 and 203. The Commission rejects these alternative sites and finds them infeasible for the following reasons:

The Kirkland bus yard in Fisherman's Wharf will continue to be used as a bus yard for the next few years, rendering it currently unavailable for development of a hotel project. A hotel project at this site would not fulfill many of MUNI's objectives relative to the use of the project site, including creation of an F trolley line shelter at the Project site the Developer's objective to own and operate a downtown boutique hotel, and the City's objectives for an appropriate land use with pedestrian amenities at the Project site.

Strong public and legislative support exists for retaining recreational or open space uses on Blocks 202 and 203. Previous proposals for commercial development on these sites have been unsuccessful. Use of Blocks 202 and 203 for open space or for a butterfly and insect museum is currently under study and is being considered by the Board of Supervisors.

2. "No Project" Alternative

The FEIR analyzed a "No Project" alternative. As described in the FEIR, this alternative would entail no change to the Project site. The proposed hotel and trolley station would not be constructed. MUNI buses would continue to use the site as a layover yard.

The Commission rejects this alternative in favor of the Project and finds this alternative infeasible because it would not meet the City's or the Project Sponsors' objectives as set forth in Section II.B of these CEQA findings.

3. "Reduced Scale" Alternative

The FEIR analyzed a "Reduced Scale" alternative, which would construct a 40-foot tall hotel with approximately 114 rooms, and 87,000 gross square feet of space. The

building would contain the same amount of restaurant/café, retail, meeting room space and parking as the Project, and would accommodate a transit shelter on the Project site, as with the Project. The MUNI bus layover yard would be relocated from the Project site with buses moving to the same location as with the Project. This alternative would involve the same zoning map, height and bulk district, and General Plan map amendments as the Project.

This alternative would result in the same shadow impacts as the Project and somewhat lesser transportation impacts.

The Commission rejects this alternative in favor of the Project and finds this alternative infeasible because it would not fulfill MUNI's objective to maximize ground lease payments from the site. A smaller hotel would return a smaller ground rent to MUNI, thereby rendering this alternative financially unsound for MUNI . In addition, this alternative would not fulfill the Developer's objective to own and operate a boutique hotel, which creates an adequate return for its investors and adequate security for its lenders. Unless MUNI were to substantially lower the rent, this alternative would be economically infeasible for the Developer.

V. MITIGATION MEASURES

The findings in this section concern mitigation measures set forth in the FEIR. These findings fall into two categories: (A) mitigation measures adopted by the Commission as identified in the FEIR, which can be implemented by the Commission; and (B) mitigation measures identified in the FEIR, which are recommended by the Commission for adoption, and which are under the jurisdiction of agencies other than the Commission and the Planning Department. These measures mitigate the potentially significant environmental impacts of the project, as set forth in the FEIR.

A. MITIGATION MEASURES ADOPTED AS PROPOSED

Pursuant to Public Resources Code § 21002, the Commission considered the mitigation measures described in the FEIR, and finds as follows:

1. **Cultural:** The Commission finds that the mitigation measure identified in the FEIR as D.1, would substantially reduce the potential impacts of the Project on cultural resources to a level of insignificance, because an archaeologist and the City would assess the significance of any subsurface archaeological resources and determine their proper disposition. The Commission hereby adopts mitigation measure D.1, and includes it as a condition of approval, attached as Exhibit B, the Mitigation Monitoring Program.

2. **Shadow**: The Commission finds that the mitigation measure identified in the FEIR as F.1, would substantially reduce to a level of insignificance the potential effects on shadow resulting from subsequent Project design modifications, because the measure would ensure that design modifications would not create shadow on Justin Herman Plaza that is greater or qualitatively different from the Project shadow as analyzed in the FEIR. The Commission hereby adopts mitigation measure F.1 and

includes it as a condition of approval, attached as Exhibit B, the Mitigation Monitoring Program.

B. MITIGATION MEASURES OUTSIDE THE JURISDICTION OF THE COMMISSION

The Commission finds that the mitigation measures listed below and identified in the FEIR fall within the jurisdictions of agencies other than the Commission and the Planning Department. Unless otherwise indicated, the Commission believes that these measures can and should be implemented by the named agency at the appropriate time, and can and should be adopted by said agencies unless they are later determined to be infeasible. The Secretary of the Commission is hereby directed to transmit copies of these measures to the affected agency.

1. **Construction Noise:** Mitigation measures identified in the FEIR as A.1, A.2, and A.3 are under the jurisdiction of the Department of Building Inspection. The Commission finds that mitigation measures A.1, A.2, and A.3, would substantially reduce to a level of insignificance the Project's potential effects on construction-related noise, because they would reduce construction noise (other than pile-driving noise) to a level of 80 dba at 100 feet from the site and because construction noise would be temporary. The Commission requires the Project Sponsors to implement mitigation measures A.1, A.2, and A.3, or equivalent measures, as part of the Project, and includes them as a condition of Project approval.

2. **Pile Driving Noise:** Mitigation measures identified as B.1 through B.5 in the FEIR, are under the jurisdiction of the Department of Building Inspection. The Commission finds that mitigation measures B. 1 through B.5, would substantially reduce to a level of insignificance the Project's potential effects on pile driving noise, because those measures would lessen the noise associated with pile driving, and because pile driving noise impacts would be temporary. The Commission requires the Project Sponsors to implement mitigation measures B.1 through B.5, or equivalent measures, as part of the Project, and includes them as a condition of Project approval.

3. **Construction Air Quality:** Mitigation measures identified in the FEIR as C.1 and C.2 are under the jurisdiction of the Department of Building Inspection. The Commission finds that mitigation measures C.1 and C.2 would substantially reduce to a level of insignificance the Project's potential effects on construction air quality, because emissions of dustfall and fine particulate matter would be minimized and because construction air quality impacts would be temporary. The Commission requires the Project Sponsors to implement mitigation measures C.1 and C.2, or equivalent measures, as part of the Project, and includes them as a condition of Project approval.

4. **Transportation:** Mitigation measures identified in the FEIR as E.1 and E. 6 are under the jurisdiction of MUNI and the Department of Public Works. Mitigation measures identified in the FEIR as E.2, E.3, E.4 and E.5 are under the jurisdiction of the Department of Parking and Traffic.

The Commission finds that the mitigation measures identified in the FEIR as E.1 through E.6 would substantially reduce to a level of insignificance, the Project's potential effects on Transportation because these measures would assure maintenance of

adequate MUNI service in the Project vicinity, avoid traffic flow disruption on Mission Street, provide adequate loading space of tour buses, avoid construction-related traffic disruptions on the Embarcadero, Mission and Steuart Streets, assure safe pedestrian passage during construction, and assure the 7-Haight Street busline service to the Project vicinity during construction. The Commission requires the Project Sponsors to implement mitigation measures E.1 through E.6, or equivalent measures as part of the Project, and includes mitigation measures E.1 through E.6 as a condition of Project approval.

C. ADOPTION OF A MITIGATION MONITORING PROGRAM

The Commission hereby adopts a Mitigation Monitoring Program as required by Section 21081.6 of the Public Resources Code. The Mitigation Monitoring Program is attached as Exhibit B to the Commission motion, and is incorporated herein by reference. The purpose of this Program is to determine the stage at which each of the adopted mitigation measures must be imposed in order to ensure that the measure is carried out by the responsible official or entity, or, if the obligation lies with the Project Sponsors, that the City enforces the obligation.

VI. STATEMENT OF OVERRIDING CONSIDERATIONS

If all of the mitigation measures discussed in Section V of these CEQA findings are implemented as part of the Project, all potential significant environmental impacts of the Project will be reduced to a level of insignificance. In the event that some of the mitigation measures are not adopted by other agencies or implemented by the Project Sponsors, the Project could have potentially significant unavoidable impacts on one of more of the following: construction noise, pile driving noise, construction air quality and transportation. Pursuant to CEQA Section 21081(b), CEQA Guidelines Section 15093, and Chapter 31 of the San Francisco Administrative Code, the Commission finds that any such potentially significant unavoidable impacts of the Project on the environment are acceptable due to the following overriding economic, legal, social, technological and other considerations, which outweigh such impacts on the environment:

A. The Project will fulfill the transit and community objectives, and the City's objectives as discussed in Section II.C of these CEQA Findings.

B. The Project will create ground rent payments to MUNI estimated to total $275 million over the life of the 65-year ground lease (an average of $4.2 per year) to support needed improvements in public transit service in the area and City-wide.

C. The Project will relocate the current bus layover yard, which is an incompatible land use of a site which lies in an area of downtown commercial, visitor and residential uses and is directly adjacent to the new Mid-Embarcadero open space improvements. The Project will construct uses that enhance and are compatible with the surrounding area.

D. The Project will meet some of the City's need for additional hotel facilities in appropriate locations to meet the expected increase in demand for visitor accommodations.

E. The Project will construct a safe, secure, attractive and sheltered station stop for MUNI's F Trolley line incorporated into the hotel development. The sheltered station stop will enhance the F Trolley line and attract riders.

F. The Project supports the Northeastern Waterfront Plan by constructing a visitor facility in a location that will enhance the mix of uses in the area; providing limited parking facilities; providing pedestrian amenities and transit access improvements; minimizing shadows and wind on public open space; providing a transition between the intense concentration of office activity in the downtown area and the recreational activities of the waterfront; and generating activity during evenings and weekends to complement the weekday downtown office uses.

G. The Project will enhance the relationship between the site and the open space adjacent to the north and east and encourage pedestrian, visual and urban design linkages by masking the unattractive MUNI vent shaft structure on the Project site; providing a sheltered F Trolley line stop; providing a ground-floor memorabilia store for the historic streetcar program; and providing pedestrian amenities around the site, including an outdoor seating area for the hotel restaurant along the Embarcadero.

H. The Project will create a substantial number of new jobs. It is expected that once the Project is fully operational, approximately 250 permanent full-time employees will work there. Development of the Project will also generate about 200 construction jobs. The Developer and its subtenants will participate in the City's First Source Hiring Program and program in Diversity to enhance employment opportunities for persons receiving public assistance and other qualified economically disadvantaged persons. In addition, Joie de Vivre, the hotel operator, has committed to work with the Tenderloin Neighborhood Development Corporation in developing a youth hospitality training program to allow local teens to elan the hotel business. Joie de Vivre has already offered to Local 2 that the Project will be operated with union representation, and in compliance with the City's Card Check Ordinance. The Project will generate significant new property, sales, hotel and payroll tax revenues for the City.

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
A. Construction Noise Impacts				
A.1 The project sponsors shall require that the contractors' equipment and trucks used for project construction shall utilize the best available noise control techniques (e.g., improved exhaust mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds) in order to minimize construction noise impacts.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan, including information about best available noise control techniques to be utilized.	Prior to construction
The project sponsors shall require all construction equipment used by the contractor(s) (except for impact tools, pavement breakers and jackhammers) to be tested as part of the environmental compliance monitoring program for enforcement of mitigation measures, to ensure that equipment noise does not exceed 80 dBA at 100 feet.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan, including the results of testing equipment to ensure that construction noise would not exceed 80 dBA at 100 feet.	Prior to construction
A.2 Stationary noise sources shall be located as far from adjacent offices as possible. If they must be located near existing offices, they shall also be enclosed within temporary sheds.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan, including information about stationary noise sources.	Prior to construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
A.3 The project sponsors shall require the contractor(s) to use hydraulically or electrically powered impact tools (e.g., jackhammers, pavement breakers, and rock drills) wherever possible to avoid noise associated with compressed air exhaust from pneumatically-powered tools. However, where use of pneumatically powered tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves would be used where feasible, and this could achieve a reduction of 5 dBA.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan, including information on use of impact tools.	Prior to construction
B. Pile Driving Noise Impacts				
B.1 Wherever possible, the project sponsors shall require the contractor(s) to use sonic or vibratory pile drivers instead of impact pile drivers (sonic pile drivers are only effective in some soils). Such drivers can reduce maximum noise levels by as much as 12 dBA.	Project Sponsor	Department of Building Inspection	The project sponsor shall submit a geotechnical report that advises the appropriateness of vibratory piles on the project site. If liquefaction could result due to vibratory piles, then this noise measure would not be implemented.	Prior to construction
B.2 Pile holes shall be pre-drilled to the extent feasible to reduce potential noise and vibration impacts.	Project Sponsor	Department of Building Inspection	The project sponsor shall submit a geotechnical report detailing the extent that pile holes could be pre-drilled.	Prior to construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measures	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
B.3 The project sponsors shall prohibit pile driving during the peak lunch hour (preferably including the half-hour before and after) to minimize potential impacts on adjacent and nearby restaurants and lunchtime plaza users.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan, detailing hours of construction for the pile-driving phase. This measure shall be considered.	Prior to construction
B.4 The project sponsors shall require that the contractor(s) include engine and pneumatic exhaust controls on pile drivers as necessary to ensure that exhaust noise from pile driver engines does not exceed 80 dBA at 100 feet. Such controls can reduce noise levels by 6 dBA.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan to ensure that exhaust noise from pile drivers would not exceed 80 dBA at 100 feet. This measure shall be considered.	Prior to construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
B.5 The project sponsors shall require the contractor(s) to use an acoustical enclosure or baffling around the pile driver to minimize noise peaks when the driver strikes the pile. The enclosure shall be constructed with noise-insulating materials and shall be as high as the maximum height of pile when struck by the driver. An acoustical enclosure around the pile driver can reduce pile-driving noise by as much as 20 dBA (Lmax) if the pile driver is fully enclosed and up to 12 dBA (Lmax) if it is enclosed on the three sides facing the receptor. Reductions can be achieved using the following controls or practices depending on the pile driving method used: ▪ Enclosing sheetpiles by tying rubber aprons (lined with absorptive material such as felt or foam rubber of a thickness of 15 to 30 mm) around the sheetpile. As the sheetpile is driven into the ground, the rubber apron has to be raised or removed. ▪ Using lined telescoping pipe to enclose the pile driver and pile. The telescoping pipe stands on the ground and gradually collapses as the driving process continues. ▪ If piles are freestanding, using pile driver enclosures. ▪ Using the English pile driver method, where steel piles are driven into the ground hydraulically.	Project Sponsor	Department of Building Inspection	The project sponsors shall submit a noise control plan including possible enclosure or baffling around pile drivers. This measure shall be considered.	Prior to construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measures	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
C. Construction Air Quality				
C.1 The project sponsors shall require the contractor(s) to spray the project site with water; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soil, sand or other such material; and sweep surrounding streets at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsors shall require that the contractors obtain reclaimed water from the Clean Water Program for this purpose.	Project Sponsor	Construction manager Department of Building Inspection	Review daily field reports and inspect construction. Report compliance monthly to the Department of Public Works. Review monthly compliance report. Maintain on-site observation as warranted.	During demolition, excavation, and construction During demolition, excavation, and construction
C.2 The project sponsors shall require the project contractors to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs to reduce emissions from equipment that would be in frequent use for much of the construction period.	Project Sponsor Project Sponsor	Construction manager Department of Building Inspection	Review daily field reports and inspect construction. Report compliance monthly to the Department of Public Works. Review monthly compliance report. Maintain on-site observation as warranted.	During construction During construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
D. Cultural				
D.1 Should evidence of cultural resources of potential significance be found during site disturbance, the project sponsors shall immediately notify the Environmental Review Officer (ERO), and the project sponsors shall halt any activities which the archaeologist and the ERO jointly determine could damage such cultural resources. Ground disturbing activities which might damage cultural resources would be suspended for a total maximum of four weeks over the course of construction. After notifying the ERO, the archaeologist shall prepare a written report to be submitted first and directly to the ERO, with a copy to the project sponsors, which would contain an assessment of the potential significance of the find and recommendations for what measures should be implemented to minimize potential effects on archaeological resources. Based on this report, the ERO would recommend specific additional mitigation measures to be implemented by the project sponsors. These additional mitigation measures might include a site security program, additional on-site investigations by the archaeologist, and/or documentation, preservation, and recovery of cultural material.	Project Sponsor	Environmental Review Officer	The archaeologist shall prepare a report documenting the cultural resources that were discovered, an evaluation as to their significance, and a description as to how any archaeological testing, exploration and/or recovery program was conducted. Copies of all draft reports prepared according to this mitigation measure shall be sent first and directly to the ERO for review. Following approval by the ERO, copies of the final report(s) would be sent by the archaeologist directly to the President of the Landmarks Preservation Advisory Board and the California Archaeological Site Survey Northwest Information Center. Three copies of the final archaeology report(s) shall be submitted to the Office of Environmental Review, accompanied by copies of the transmittals documenting its distribution to the President of the Landmarks Preservation Advisory Board and the California Archaeological Site Survey Northwest Information Center.	During excavation

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measures	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
E. Transportation				
E.1 All buses shall be relocated from the MUNI bus layover yard prior to the commencement of construction on site.	Muni	Muni , Dept. of Parking and Traffic	Site inspection	Prior to construction
E.2 The project sponsors shall expand the proposed *porte-cochere* to accommodate additional vehicles or work with the Department of Parking and Traffic to establish a three-vehicle white zone on the north side of Mission Street to the east of the *porte-cochere* entrance. The on-street white zone would accommodate the potential overflow of queued vehicles loading or unloading passengers. A 65-foot curb area exists between the *porte-cochere* and the Mission Street crosswalk at The Embarcadero.	Project Sponsor	Planning Dept., Dept. of Parking and Traffic	Review and approve project plans for expanding the proposed *porte-cochere* or establishing a white zone.	During design; prior to project operation
If warranted in the future, an additional passenger loading zone could be established along the 20-foot curb frontage between the western *porte-cochere* driveway and the Mission Street crosswalk at Steuart Street.	Project Sponsor	Dept. of Parking and Traffic	The hotel shall monitor passenger loading operations to ensure that vehicle queues do not extend back on to The Embarcadero and disrupt traffic flows. The hotel operator shall report to the Department of Parking and Traffic if queues extend on to The Embarcadero.	During operation

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
E.3 The project sponsor shall work with the Department of Parking and Traffic to establish a white zone on the east side of Steuart Street, south of the proposed 7-Haight bus layover zone, to accommodate the loading and unloading of tour buses. A 40-foot curb area exists between the proposed 7-Haight layover zone and the Mission Street sidewalk.	Project Sponsor	Dept. of Parking and Traffic	Review and approve project plans for establishing a white zone on the east side of Steuart Street to accommodate the loading and unloading of tour buses.	Prior to project operation
E.4 The project contractor shall limit construction staging for the project to Mission St. and Steuart St. Two travel lanes shall be maintained on each of these streets during the construction period to ensure local traffic circulation.	Project Sponsor	Dept. of Parking and Traffic	Site inspections	During project construction
E.5 The project contractor shall maintain a pedestrian passage (or sidewalk) on The Embarcadero throughout the duration of the project to ensure safe pedestrian passage on this busy segment of roadway.	Project Sponsor	Dept. of Public Works	Site inspection	During project construction
E.6 The project sponsors shall work with MUNI and the Department of Parking and Traffic to identify an acceptable temporary location for the 7-Haight bus layover as required during the hotel construction period.	Project Sponsor	Muni and Dept. of Parking and Traffic	Prepare project plans	Prior to construction

EXHIBIT B
Mission-Steuart Hotel and Muni Layover Yard Relocation
Mitigation Monitoring Program

Mitigation Measure	Mitigation Responsibility	Monitoring Responsibility	Monitoring or Reporting Action	Schedule
F. Shadows				
F.1 Before any design modifications to the project as analyzed in the Draft EIR are finalized, and prior to the issuance of a site permit for the project, the project sponsor shall perform a new shadow study of the modified project. This shadow study shall confirm that project shadows on Justin Herman Plaza would not exceed the shadows cast by existing buildings plus the shadow that would be cast by a 40-foot building on the project site, and would not be qualitatively different from the current project shadow impacts.	Project Sponsor	The Planning Department, Master Environmental Assessment Section	The project sponsors shall submit an acceptable shadow study.	Prior to issuance of the site permit

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 13, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice-President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Memorandum of Understanding between the Port and DPW to reimburse the Port for the cost of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I."

DIRECTOR'S RECOMMENDATION: APPROVE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE PORT AND DEPARTMENT OF PUBLIC WORKS (DPW) FOR REIMBURSEMENT OF THE COST OF ELIGIBLE WORK UNDER CONTRACT NO. 2658, "PIERS 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I."

At its regular meeting of May 9, 2000, the Port Commission authorized staff to Award Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I," to the lowest responsible bidder, Power Engineering Contractors, Inc., for $ 999,701.00 plus a 10% contingency. At this meeting, Port staff indicated that a Memorandum of Understanding (MOU) between the Port and DPW had been approved by City Attorney's Office and was being finalized.

This MOU is needed to memorialize DPW's arrangements to reimburse the Port for the cost of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I." The initial project cost will be funded from the Port's capital funds. However, utilizing a Caltrans grant, DPW has agreed to reimburse the Port pursuant to this MOU. This MOU formalizes DPW's commitment to reimburse the Port for actual costs of specific work items, up to 110% of the sum of the bid amounts for specific bid items, or $1 million, which ever is less. Based upon the low bid, the maximum value of the reimbursable work under the MOU is $738,871 (including a 10% contingency).

This Print Covers Calendar Item No. 7A

The MOU has been finalized, approved by the City Attorney's Office and is ready for execution by the Port and DPW. A copy of the MOU is attached to this memorandum for your reference.

Staff therefore seeks Port Commission approval of the Memorandum of Understanding between the Port and DPW for reimbursement of the Port costs under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I."

Prepared by: Victor Yew
Project Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-49

WHEREAS, at its regular meeting of May 9, 2000, the Port Commission authorized staff to Award Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I," to the lowest responsible bidder, Power Engineering Contractors, Inc., for $999,701.00 plus a 10% contingency; and

WHEREAS, at that meeting, Port staff indicated that a Memorandum of Understanding (MOU) between the Port and DPW had been approved by City Attorney's Office and was being finalized; and

WHEREAS, the MOU has been finalized, approved by the City Attorney's Office, and is now ready for execution by the Port and DPW, a copy of which is attached to the staff memorandum accompanying this resolution; and

WHEREAS, the MOU memorializes DPW's commitment to reimburse the Port for the cost of eligible work under Contract No. 2658 and has been finalized and approved by the City Attorney's Office; and

WHEREAS, the MOU formalizes DPW's commitment to reimburse the Port for actual costs of specific work items, up to 110% of the sum of the bid amounts for specific bid items, or $1 million, whichever is less; and

WHEREAS, the project will be funded initially from the Port's capital project funds. Thereafter, DPW will utilize grant funds from Caltrans to reimburse the Port pursuant to the MOU; and

WHEREAS, based on the bid results from the low bidder, the maximum value of Reimbursable Work (including 10% contingency) covered by the MOU is $738,871; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves the Memorandum of Understanding between the Port and DPW concerning the reimbursement of the costs of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I," and authorizes the Executive Director to execute the Memorandum of Understanding.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 13, 2000.

_____
Secretary

MEMORANDUM OF UNDERSTANDING

Marginal Wharf and Promenade Repairs

This Memorandum of Understanding, dated for convenience as of April 12, 2000, is entered into by and through the San Francisco Department of Public Works ("DPW") and the San Francisco Port Commission ("Port"), (collectively "Parties"), both subdivisions of City and County of San Francisco ("City") government.

RECITALS

A. The Port is responsible for administering and maintaining real property commonly described as the Marginal Wharf and described more particularly in Exhibit A which is incorporated herein as though set forth in full.

B. DPW is currently undertaking a public works improvement project known as the Mid-Embarcadero Surface Roadway and F-Line Extension Project, DPW Spec. No.6094Q ("Mid-Embarcadero Project").

C. All or part of the financing for the Mid-Embarcadero Project comes from the Flexible Congestion Relief ("FCR") funds administered by Caltrans. FCR funds will not be available to the City after June 30, 2000.

D. Part of the original scope of the Mid-Embarcadero Project included construction of a new pedestrian walkway ("Promenade") and associated repair work along the Marginal Wharf from Pier 1 ½ to Pier 5 between the seawall and the first bent ("Promenade Work").

E. Upon review of the plans for the Promenade Work, the Port determined that bulkhead buildings adjacent to and above the Promenade Work ("Promenade Site") needed extensive shoring work. FCR funds cannot be used to reimburse the City for the cost of shoring and repairing the bulkhead buildings at the Promenade Site.

F. By mutual agreement of the Parties, DPW has deleted the Promenade Work from the Mid-Embarcadero Project scope. The Port intends to perform or separately contract for the Promenade Work. DPW intends to reimburse the Port for the Promenade Work from FCR funds received from Caltrans. The Promenade Work for which the Port will be reimbursed will be limited to the eligible Reimbursable Work included in the Port's Contract No. 2658. Reimbursable Work is defined in paragraph 3., below.

NOW THEREFORE, the parties agree as follows:

1. The Port will perform or separately contract for the Promenade Work, and bulkhead building shoring and repair work (collectively "Port Work").

2. Subject to Section 6, DPW will reimburse the Port from FCR funds for the actual cost of the eligible Reimbursable Work up to the lesser of 110% (one hundred ten percent) of the amount bid for Reimbursable Work or $1 million (one million dollars) ("Reimbursement Funds"). DPW will not reimburse the Port for shoring and repair of bulkhead buildings, design services, inspection services, or construction support services arising from the Port Work. The Port shall be responsible for any costs arising from any unforeseen conditions encountered during performance of the Port Work.

3. The Port shall be responsible for managing a public works contract, identified as Port Contract No. 2658 for construction of the Port Work, *e.g.* preparing contract documents including plans and specifications, administering the competitive bid process, inspecting the work, and performing all necessary work related to administering the contract. The contract documents for the Port Work includes a bid sheet for which Bid Item Nos. 1, 2, 3, 4, 5, 6, 7, 13, 14, A1-1, A1-2 and A2-1 are Reimbursable Work. A copy of the bid sheet is attached as Exhibit B and incorporated herein as though set forth in full. This comprises all the work that may be reimbursed from FCR funds. FCR funds will not be available for work otherwise eligible for reimbursement if said work is not included in Port Contract No. 2658. The Port shall be responsible for ensuring that all Promenade Work under Port Contract No. 2658 complies with FCR and applicable federal requirements. Promenade Work done under a planned separate Port development contract will not be eligible for reimbursement from FCR funds.

4. The Port shall evaluate and process its contractors payment requests in conformance with Port contracting policies. The Port shall submit invoices to DPW for reimbursement for Reimbursable Work actually paid. The Port's invoices shall conform to the procedures and requirements of Chapter 5 of the Caltrans "Local Assistance Procedures Manual."

5. To support its request for payment of FCR funds, DPW shall submit the Port's invoices to Caltrans for approval. Upon receipt of FCR funds, DPW shall cause the approved Reimbursement Funds to be transferred to the Port. Subject to section 6, DPW will reimburse the Port the lesser of $1 million (one million dollars) or the actual measured cost of Reimbursable Work performed by the Port. The measured cost of Reimbursable Work shall not exceed 110% of the total amount bid by the successful contractor for that work. If the total payment for the quantities measured exceeds 110% of the amount bid, then the Port will be responsible for the additional cost.

6. All transfers of Reimbursement Funds to the Port are subject to the approval of FCR funding sources. In the event that FCR funding sources deem all or part of the Port's reimbursement request ineligible, or in any way disallows all or part of the requested amount ("Disallowed Amount"), DPW shall not reimburse the Port for the Disallowed Amount. The Port shall bear the entire cost of the work related to the Disallowed Amount.

7. The Port must award a contract for the Port Work before June 30, 2000. The Parties acknowledge that failure to award a contract for the Port Work by June 30, 2000 will result in the loss of FCR funding. DPW shall not be obligated to reimburse the Port for the cost of performing Promenade Work if a contract for the Port Work is not awarded by June 30, 2000.

8. All Reimbursable Work must be completed no later than June 30, 2002.

9. The Port Work shall begin after DPW completes the Mid-Embarcadero Project at the Promenade Site. The Promenade Site is scheduled to be available to the Port for undertaking Port Work by June 2000. The Parties shall coordinate any punchlist, warranty, and/or maintenance work for the Mid-Embarcadero Project with the Port Work.

10. The Port Work will conform to the elevations established by the Mid-Embarcadero Project.

11. The Port Work will conform to the color, specifications, layout, and grading of the Mid-Embarcadero Project.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day first mentioned above.

Approved as to form

Timothy Yoshida
Deputy City Attorney
~~San Francisco Port Commission~~

RECOMMENDED BY:

Cliff Jarrard, Chief Harbor Engineer

RECOMMENDED BY:

Harlan L. Kelly, Jr., City Engineer

RECOMMENDED BY:

Alex Lee, Director of Facilities and Operations

ATTEST:
Authorized by San Francisco Port Commission Resolution adopted at its meeting:

Date:_____

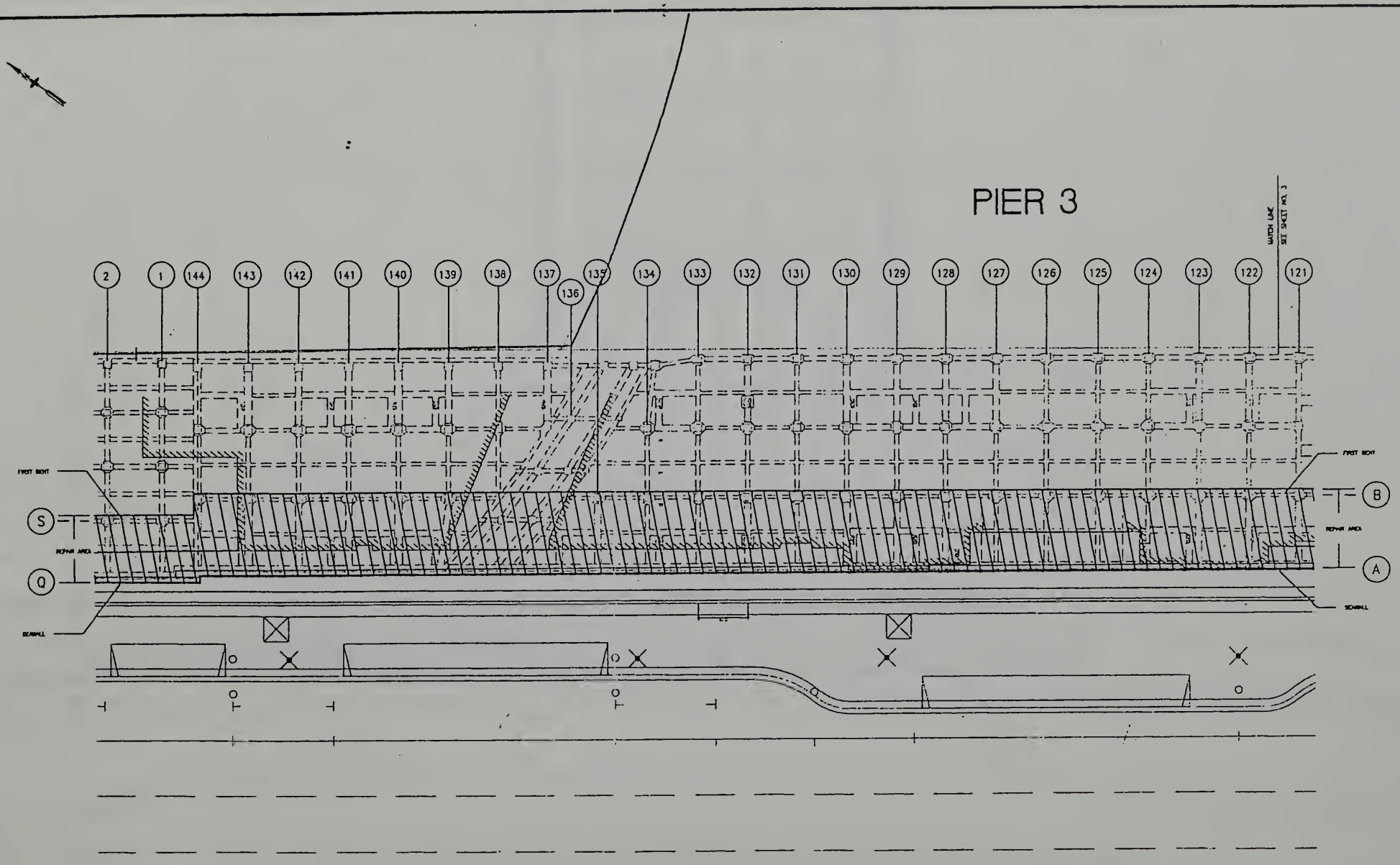
For DEPARTMENT OF PUBLIC WORKS

For PORT OF SAN FRANCISCO

Mark A. Primeau, AIA, Director of Public Works

Douglas F. Wong, Executive Director

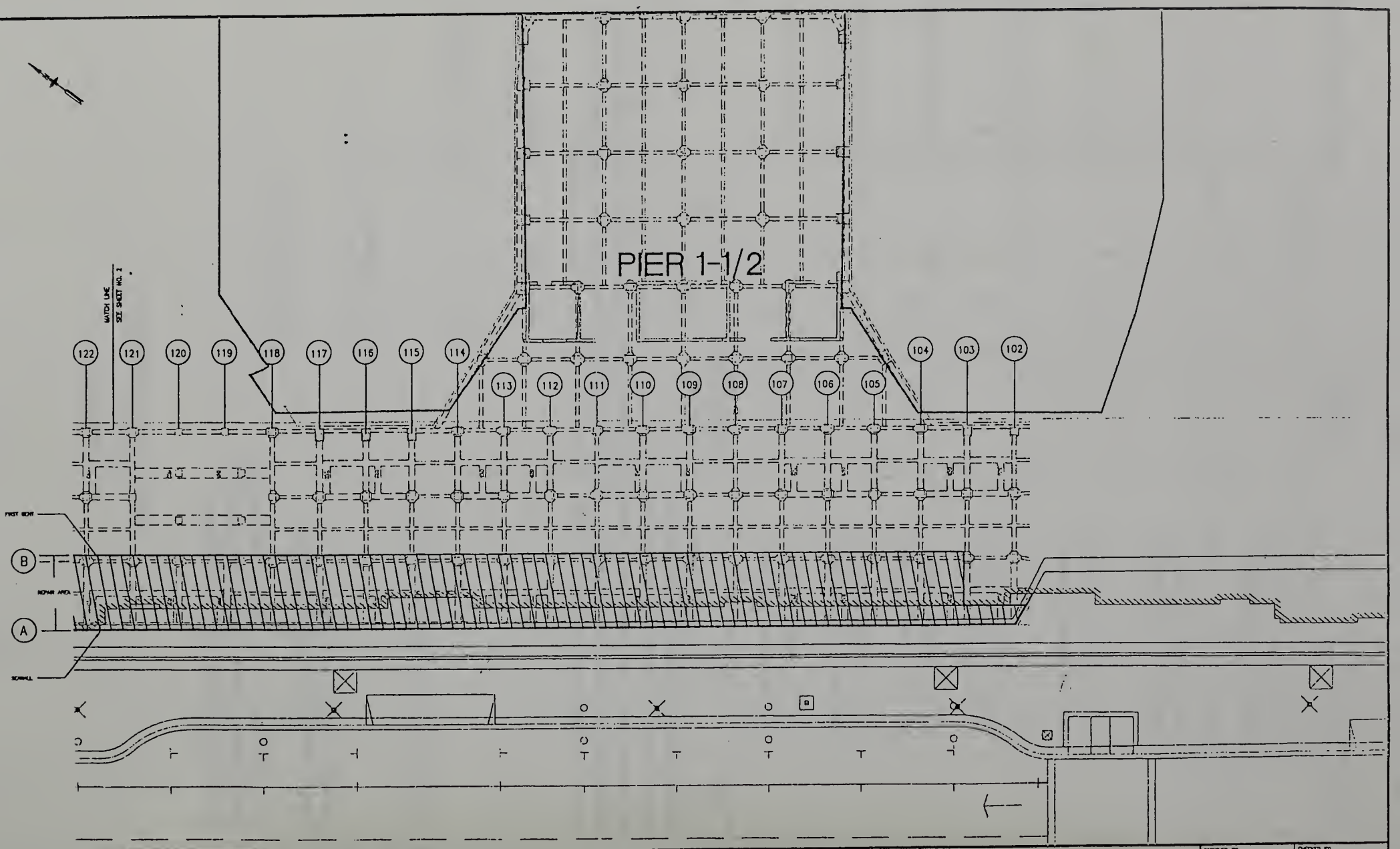
San Francisco Port Commission Resolution No. ____



DATE / DESCRIPTION / BY TABLE OF CHANGES CAUTION: CHECK WITH TRACING TO SEE IF YOU HAVE THE LATEST REVISION	REFERENCE INFORMATION & FILE NO. OF SURVEYS	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ CHIEF HARBOR ENGINEER

DESIGNED BY:	CHECKED BY:
DRAWN BY:	DATE:
CONTRACT NO.	SCALE:
DRAWING NO.	SHEET NO. 2 OF SHEETS

PRINTED: CADFILE:



DESIGNED BY:		CHECKED BY:	
DRAWN BY:		DATE:	
CONTRACT NO.		SCALE:	
DRAWING NO.		SHEET NO.	3
		OF SHEETS	

DATE | DESCRIPTION | BY

TABLE OF OFFSETS

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SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

CHIEF HARBOR ENGINEER

PIER 1-1/2
MARITIME MUSEUM

DOCUMENT 00410

SCHEDULE OF BID PRICES

For constructing Pier 1-1/2 to 5 Marginal Wharf Repair Project, in strict accordance with the Contract Documents for Contract No.2658.

Bidders must Bid on all Bid Items and Alternates selected by the City.

Entries must be in permanent ink or typed.

_____
Bidder's Firm Name

_____
Street Address

_____
City State Zip Code

_____
(Area Code) Telephone No.

The undersigned, having examined the Site, all referenced documents and the Drawings and understanding the terms and conditions of the Contract Documents and the local conditions affecting the performance and costs of the Work, having fully inspected Site in all particulars, hereby proposes and agrees to fully perform the Work as indicated on the Drawings and in accordance with the requirements of the Contract Documents within the time

Bid Item	Bid Item Description	Estimated Quantity	Unit*	Unit Price	Extension
1	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R1	837	SF		$_____
2	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R2	1011	LF		$_____
3	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R3	120	LF		$_____
4	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R5, 2" dia.	2	EA		$_____
5	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R5, 4" dia.	4	EA		$_____
6	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R5, 6" dia.	2	EA		$_____
7	Marginal Wharf Repairs at Pier 1-1/2 and 3, Type R5, 8" dia.	3	EA		$_____

Bid Item	Bid Item Description	Estimated Quantity	Unit*	Unit Price	Extension
8	All Work shown on Plans and indicated in the Specifications for Shoring at Piers 1-1/2 and 3	-	LS	-	$_____
9	All Work shown on Plans and indicated in the Specifications for Hair-Line Crack Repair	1000	LF		$_____
10	All Work shown on Plans and indicated in the Specifications for Grout and Seal Crack Repair	1000	LF		$_____
11	All Work shown on Plans and indicated in the Specifications for Repair of Rotted Column Bases at Piers 1-1/2 and 3	4	EA		$_____
12	All Work shown on Plans and indicated in the Specifications for Architectural Demolition and Repair at Piers 1-1/2 and 3, excluding work indicated in Bid Item Nos. 9, 10, and 11.	-	LS	-	$_____
13	All Work shown on Plans and indicated in the Specifications for Promenade at Piers 1-1/2 and 3	-	LS	-	$_____
14	Allowance for Mobilization	-	LS	-	$ 60,000.00
15	Allowance for Work as Directed by the Port	-	LS	-	$ 50,000.00
TOTAL BID PRICE (summation of Bid Items 1 through 15 above):					$_____

*Note: LS = Lump Sum, EA= Each, LF = Linear Feet, SF = Square Feet, CY = Cubic Yards

ALTERNATES: The following alternates will be selected by the City in a specific descending order of priority which will be announced immediately before opening of the Bids. The Contract, if awarded, will be awarded to the lowest responsive, responsible Bidder based on the lowest overall cost to the City for the Total Bid Price with or without additive or deductive alternate(s) selected by the City in a descending order of priority, as follows:

1. If the Total Bid Price of the lowest responsive, responsible Bidder does not exceed the construction budget amount, then the Contract will be awarded to the lowest responsive,

responsible Bidder whose Total Bid Price and greatest number of additive alternates selected by the City in a descending order of priority do not exceed the construction budget amount.

2. If the Total Bid Price of the lowest responsive, responsible Bidder exceeds the construction budget amount, then the Contract will be awarded to the lowest responsive, responsible Bidder whose Total Bid Price and least number of deductive alternates selected by the City in a descending order of priority do not exceed the construction budget amount.

The amount available in the construction budget will be announced immediately before the opening of the Bids. The City reserves the right to award to the lowest responsive, responsible Bidder based on the Total Bid Price and all deductive alternates in the event that the Total Bid Price and all deductive alternates exceeds the construction budget amount.

The undersigned further proposes and agrees that if an Alternate is incorporated in the Contract within up to 2 months after the Notice to Proceed, the Contract Sum will be adjusted by the addition of the Alternate Price bid for the selected Alternate.

Bid Item	Additive Alternate Bid Item Description	Estimated Quantity	Unit*	Unit Price	Extension
A1-1	Marginal Wharf Repairs at Pier 5, Type R1	32	SF		$_____
A1-2	Marginal Wharf Repairs at Pier 5, Type R2	56	LF		$_____
TOTAL ALTERNATE BID PRICE A1 (summation of Bid Items A1-1 through A1-2 above):					$_____

*Note: LS = Lump Sum, EA= Each, LF = Linear Feet, SF = Square Feet, CY = Cubic Yards

Bid Item	Alternate Bid Item Description	Estimated Quantity	Unit*	Unit Price	Extension
A2-1	All Work shown on Plans and indicated in the Specifications for Promenade at Pier 5	-	LS	-	$_____
TOTAL ALTERNATE BID PRICE A2 (Bid Item A2-1, above):					$_____

*Note: LS = Lump Sum, EA= Each, LF = Linear Feet, SF = Square Feet, CY = Cubic Yards

Notes:

1. Alternates shall cover all costs of Alternate Work only and shall not include Base Bid Work. Alternate prices shall include markups for overhead and profit. The Bidder shall be responsible to indicate by using plus (+) or minus (-) signs whether alternate amounts are intended to be added to, or subtracted from, the Total Bid Price.
2. The City will make the actual addition of Alternates to or subtraction of Alternates from the Total Bid Price. In case an additive Alternate amount does not include a plus or minus sign, the amount will be presumed to be additive to the Total Bid Price. In case a deductive Alternate amount does not include a plus or minus sign, the amount will be presumed to be deductive (-) from the Total Bid Price.

Bidder acknowledges and agrees that this Bid, if not withdrawn prior to the scheduled time for receipt of Bids, shall not be withdrawn for a period of 120 days thereafter.

Time allowed for completion of all Work shall be the number of calendar days specified in Document 00802, beginning with and including the official date of Notice to Proceed as established by the Chief Harbor Engineer, regardless of whether the Contract is awarded under the Base Bid or on the basis of the Base Bid and any Alternate or any combination of Alternates.

Bid submitted by:

_____(seal)
Name of Firm, Corporation, Partnership or Joint Venture

_____ _____
Names of All Partners, if Partnership State of Incorporation, if Corporation

_____ _____
Signature of Bidder of Authorized Representative Date of Bid

_____
Name and Title of Authorized Representative

Note: If Bidder is a corporation, set forth the legal name of the corporation together with the signature of the officer or officers authorized to sign contracts on behalf of the corporation. If Bidder is a partnership, set forth the name of the firm together with the signature of the partner of partners authorized to sign contracts on behalf of the partnership.

END OF DOCUMENT

DESCRIPTION OF BID/UNIT PRICE ITEMS

BID ITEM NO. 1: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R1 Marginal Wharf Repairs at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 2: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R2 Marginal Wharf Repairs at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 3: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R3 Marginal Wharf Repairs at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 4: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R5 Marginal Wharf Repairs at Piers $1^1/_2$ and 3 for 2" diameter pipes, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 5: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R5 Marginal Wharf Repairs at Piers $1^1/_2$ and 3 for 4" diameter pipes, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 6: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R5 Marginal Wharf Repairs at Piers $1^1/_2$ and 3 for 6" diameter pipes, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 7: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work Type R5 Marginal Wharf Repairs at Piers $1^1/_2$ and 3 for 8" diameter pipes, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 8: This lump sum price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for shoring of building at Piers $1^1/_2$ and 3 during substructure repairs, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 9: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for hair-line crack repair at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 10: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for grout and seal crack repair at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 11: This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for repair of rotted column bases at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 12: This lump sum price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for Architectural Demolition and Repair at Piers $1^1/_2$ and 3, excluding work indicated in Bid Item No. 10; as shown on the plans and specifications, complete and in place, including hazardous materials work, and all incidental and appurtenant items.

BID ITEM NO. 13: This lump sum price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform all Work for construction of the Promenade at Piers $1^1/_2$ and 3, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

BID ITEM NO. 14: This lump sum price shall be an allowance for mobilization.

BID ITEM NO. 15: This lump sum price shall be an allowance for work done that relates to the shoring of the building not shown on plans and specifications, as directed by Port to perform.

ADDITIVE ALTERNATE BID ITEM NO.: A1-1 This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R1 Marginal Wharf Repairs at Pier 5, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

ADDITIVE ALTERNATE BID ITEM NO.: A1-2 This unit price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the work of Type R2 Marginal Wharf Repairs at Pier 5, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

ADDITIVE ALTERNATE BID ITEM NO.: A2-1 This lump sum price shall cover all costs, including labor, supervision and management, materials, equipment and demobilization, to perform the Work for construction of the Promenade at Pier 5, as shown on the plans and specifications, complete and in place, including all incidental and appurtenant items.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 13, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice-President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of First Amendment to Professional Services Contract No. CT-3980004, "As-Needed Professional Services," with Structus, Inc., in the sum of $25,000.00 for additional design and construction review work.

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION APPROVE THE FIRST AMENDMENT TO CONTRACT NO. CT-3980004 WITH STRUCTUS, INC. FOR ADDITIONAL SERVICES IN THE SUM OF $25,000.00.

At its regular meeting of April 21, 1998, the Port Commission authorized the award of the professional services contract for "As-Needed Professional Services" to Structus, Inc. The contract amount was $150,000 and encompassed "as-needed" architectural and engineering services such as surveying, cost estimating, structural engineering, geotechnical engineering, electrical engineering, and drawing documentation assistance. To date the following work authorizations have been issued, leaving a contract balance of only $8,150:

Condition Survey Piers 27/29 - Authorization 001	$ 10,200.00
Pier 1 Cost Review Authorizations 002	$ 16,200.00
Pier 31 Condition Survey - Authorization 003	$ 10,400.00
Pier 1 Cost Review Authorizations 004	$ 4,150.00
Pier 48 Seismic Review - Authorization 005	$ 12,000.00
Agricultural Building Condition Survey - Authorization 006	$ 27,500.00
Pier 50 Electrical - Authorization 007	$ 5,250.00
Pier 94 Geotechnical Services - Authorization 008	$ 5,250.00
Assistance in Drawing Documentation and Review - Authorization 009	$ 5,200.00
Fisherman's Wharf Outer Harbor Wharf Condition Survey - Authorization 010	$ 40,500.00
Pier 43 Cost Estimate – Authorization 011	$ 5,200.00
	$141,850.00

This Print Covers Calendar Item No. 7B

After the award of construction Contract No. 2568 for "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I" (Marginal Wharf Project), the Port determined that continuous vehicular access to Pier 3 will be required during and after the construction of the marginal wharf repairs. To provide continuous access to Pier 3, additional substructure repairs are required. The additional substructure repairs are required at the Pier 3 Building main entrance and the at the public access entrance north of the main entrance.

Structus, Inc. provided the initial engineering and architectural design services for the Marginal Wharf Repair Project through a Port inter-departmental work order with DPW. DPW also has an ongoing As-Needed Professional Services Contract with Structus. Structus has estimated the cost of the design services for the additional substructure repairs to be $25,000. Unfortunately, the limit of the DPW contract with Structus has been exhausted and DPW is therefore unable to accept another inter-departmental work order under its as-needed contract.

The Port believes it would be most cost-effective to continue utilizing the services of Structus, Inc. for these proposed marginal wharf repair design changes. As noted above, the Port currently has its own as-needed services contract with Structus, Inc., which currently has work authorizations totaling $141,850.00. The ceiling for the contract is $150,000.00. With the addition of the proposed $25,000 scope change the contract ceiling would be exceeded.

To allow Structus, Inc. to provide the additional design services for the Marginal Wharf Project, Port staff requests authorization to increase the existing contract with Structus by $25,000.00 to $175,000.00.

Staff therefore recommends that the Commission authorize approval of the First Amendment to "As-Needed Professional Services," Contract CT-3980004, with Structus, Inc. for additional design and construction review work in the amount of $25,000.

Prepared by: Victor Yew
Project Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-50

WHEREAS, at its regular meeting of April 21, 1998, the Port Commission authorized the award of the professional services contract "As-Needed Professional Services" to Structus, Inc. at a contract amount of $150,000; and

WHEREAS, to date work authorizations under this contract total 141,850.00; and

WHEREAS, after the award of construction Contract No. 2568 for "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I" (Marginal Wharf Project), the Port decided that continuous vehicular access to Pier 3 will be required during and after the construction of the marginal wharf repairs; and

WHEREAS, to provide continuous access to Pier 3, additional substructure repairs are required; and

WHEREAS, the increase in contract work would involve the inclusion of marginal wharf repair work past the first bent of the substructure at the Pier 3 Building main entrance and the at the public access entrance north of the main entrance; and

WHEREAS, Structus, Inc. provided the initial design services for the Marginal Wharf Project contract through a Port inter-departmental work order with DPW; and

WHEREAS, Structus has estimated the cost of the design services for the additional substructure repairs to be $25,000; and

WHEREAS, the limit of the DPW contract with Structus has been exhausted and DPW is unable to accept another inter-departmental work order for its as-needed contract with Structus; and

WHEREAS, Port staff believes it is most cost-effective to continue utilizing the services of Structus, Inc. for these proposed marginal wharf repair design changes; and

WHEREAS, the Port currently has its own as-needed services contract with Structus, Inc., which currently has work authorizations totaling $141,850.00 and a contract ceiling of $150,000; and

WHEREAS, to allow Structus, Inc. to provide the additional design services for the Marginal Wharf Project, Port staff requests the Port's As-Needed Services contract with Structus be increased by $25,000.00 to $175,000.00; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes staff to approve the First Amendment to Contract No. CT-3980004 with STRUCTUS, Inc. for additional design and construction review work in the amount of $25,000.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 13, 2000.

_____
Secretary

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PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 7, 2000

TO: MEMBERS. PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Facilities and Operations Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

The Facilities and Operations Division is responsible for the design, construction management and construction of all Port sponsored facilities maintenance and capital projects. In the past, a status report on all of the projects has not been provided to the Commission and some of the projects were reported though the Planning and Development Division.

Attached are Project Summary Sheets for each of the Port sponsored facilities maintenance and capital projects currently underway by Facilities and Operations staff. This report is intended to provide you with a brief status report on the Division's activities.

Prepared by: Alexander K. Lee, Director of Facilities and Operations

This Print Covers Calendar Item No. 7C

China Basin Shoreline Stabilization

Project Engineer	Ken Chu
Project Description	This project provides slope stabilization for the southern shoreline of China Basin in order to provide a permanent wateredge that the Giant's can use to create a public access park as required by their BCDC permit. This shoreline stabilization project requires placement of approximately 4,400 cubic yards of riprap to the south China Basin shoreline from Third Street to Pier 48.
Status	Soil borings and a dynamic soil-seismic analysis were performed by Olivia Chen Consultants for the project. The results indicated that the shoreline is stable, however minor lateral spreading is expected during earthquake. This information was given to the Giants for the development of the park. The construction contract documents are 95% complete. We have received additional input from Giants' park design team. Port's staff and its consultant are working to incorporate the appropriate modifications into the project.
Approvals	Port staff will submit permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board within the next few weeks.
Project Cost	Total project cost is estimated to be $394,261. The Port has a Capital fund of $592,200.
Consultant	Olivia Chen Consultants.
Schedule Milestones	January, 2000 — Port Commission approval to advertise for construction bid September 2000 — Construction begins November 2000 — Construction completed

FISHERMAN'S WHARF OUTER LAGOON SEAWALL REPAIR

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Tasks include performing a condition survey of the seawall (approximately 30' in length), designing a repair scheme and executing repair construction.
STATUS	Project is currently in final design phase. Construction bidding will follow design completion, per emergency procedures.
APPROVALS	With respect to BCDC submittal, Port Planning considers project 'maintenance.'
PROJECT COST	Estimated cost of project is $300,000. Port capital fund contribution is $300,000.
CONSULTANT	Olivia Chen Consultants

Schedule Milestones

May, 1999	Design commenced
Feb, 2000	Design completed
Aug, 2000	Construction commences
Nov, 2000	Construction completed

FISHERMAN'S WHARF OCTAGON BUILDING RESTROOMS

PROJECT MANAGER	Kevin Jensen
PROJECT DESCRIPTION	Reconstruct the public access restrooms at the south side of the Octagon Building at the corner of The Embarcadero and Taylor, SWL 301. The project will completely rebuild the men's and women's restrooms in this facility, including plumbing, ventilation, finishes, and lighting.
STATUS	The Port Engineering Department has prepared working drawings and specifications. These drawings are being modified, as field conditions are uncovered in the demolition of existing materials. Various Port Maintenance and DPW Shops are working on the project.
APPROVALS	The schematic designs were approved by the Fisherman's Wharf Tenants Association.
PROJECT COST	Total project cost of Approx. $170,000 is to be funded by a combination of Port Operating Budget and Capital funds.
CONSULTANT	None.
SCHEDULE MILESTONES	April, 2000 Working drawings and specifications complete.
	April, 2000 Begin Construction
	July, 2000 End Construction

MAINTNANCE DREDGING
PORT CONSTRUCTION CONTRACTS 2655 AND 2662

PROJECT MANAGER	Ed Byrne
PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Dutra Dredging Company continues to perform the Port's maintenance dredging operations under two Port construction contracts. Work under Contract No. 2655 will be completed once the dredge sediments remaining at Pier 94/96 are removed and disposed at an appropriate landfill. These materials are scheduled for removal in June. A new dredging episode under the Port's Maintenance Dredging Contract No. 2662 is scheduled to begin in June at the Fisherman's Wharf Inner Harbor. Additional dredging is planned at Pier 35 East and West, Pier 80 Berths A, B and C and possibly at Pier 94/96 in the Fall 2000.
STATUS	All the dredging under both contracts has been completed with the exception of the Pier 35 Widening which is scheduled to be completed in early January 2000.
APPROVALS	Port staff submits permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board for each dredging site for each dredging episode. Obtaining these permits in a timely fashion from these agencies for the dredging to occur on schedule has been a considerable challenge to Port Staff.
PROJECT COST	The dredging cost for the Summer/Fall of 2000 is currently estimated to be $2.8 million.
CONSULTANT	None
SCHEDULE MILESTONES	Summer/Fall 2000: Continue maintenance dredging at Pier 35 East and West Berths, Pier 80 Berths A, B and C and the Fisherman's Wharf Inner Harbor.

PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I

PROJECT ENGINEER	Victor Yew
	PROJECT DESCRIPTION The Phase I work is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1 ½ to the south wall of the Pier 5 bulkhead. The Port decided, after receipt of construction bids, that continuous vehicular access to Pier 3 is required during and after the construction of the marginal wharf repairs. To provide continuous access to Pier 3, additional substructure repairs are required. This additional work will be described by a Port consultant and that information will be used at the basis for a change order to the construction contract. Under a MOU with DPW a pre-determined cost of the project based on actual bid costs will be funded from Mid-Embarcadero Project. This cost has been determined to be $738,871. Costs above this amount and the architectural aspects of the work and related shoring work will be totally funded by Port funds.
STATUS	Certification of contract in progress. The following Commission agenda items related to the project will be presented at the June 13 meeting: 1. Approval of Memorandum of Understanding between the Port and DPW to reimburse the Port for the cost of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I." 2 Approval of First Amendment under Professional Services Contract No. CT-3980004, "As-Needed Professional Services," with Structus, Inc., to authorize $25,000.00 of additional design and construction review work.
PROJECT COST	$1,110,651 (CONSTRUCTION COST ESTIMATE PHASE I)
CONSULTANT	Structus , Inc.
SCHEDULE MILESTONES	Caltrans Review Complete: February 2000 Advertise Contract: March 2000 Award Contract: May 2000 Contract Certification July 2000 Construction Start: July 2000 Construction Complete: January 2001

PIER 48 SEISMIC UPGRADE

PROJECT MANAGER	Ed Byrne
PROJECT DESCRIPTION	The Port's Chief Building Official has determined that the November 1996 fire at Pier 48 destroyed a sufficient amount of the pier shed's structural components to trigger a San Francisco Building Code requirement for a seismic upgrade to the facility. Seismically upgrading this pier would include additional substructure piling and reinforcement designed specifically to resist earthquake loads as prescribed by Code requirements. The shed will also require seismic bracing and reinforcement.
STATUS	The insurance carriers are disputing the Port's position that a seismic upgrade is required. The carriers' believe that the sustained shed damage was less than the code prescribed limits and therefore an upgrade is not required. Potentially this dispute could result in a court case to resolve the required code application.
APPROVALS	BCDC permits classifying this work as maintenance have been received for this work. The permitting will need to be reviewed prior to construction.
PROJECT COST	Cost estimates for this work vary from $6.0 million to $8.5 million depending on the type of seismic bracing system installed.
CONSULTANT	Structus and GKO
SCHEDULE MILESTONES	TBD

PIER 43 ARCH EMERGENCY DISASSEMBLY AND SHORING

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. Under the emergency declaration, contractor Biller-McCoy Builders, Inc. was hired to perform the work of disassembly and shoring of the structure. Following completion of the disassembly and shoring contract, a separate competitively bid contract will be prepared for the arch repair and restoration it to its pre-fire condition. A consultant, Architectural Resources Group was hired to assist in the development of disassembly and shoring plans and subsequent repair plans. The disassembly and shoring is totally funded by insurance proceeds.
STATUS	The work of disassembly and shoring was completed as of December 15, 1999.
PROJECT COST	The contract amount was $392,727.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Project complete as of 12/15/1999.

PIER 43 ARCH RESTORATION

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. The arch restoration follows the emergency disassembly and shoring contract that is now complete. The arch restoration will be a competitively bid and will include the repair and restoration of the arch to its pre-fire condition and required structural repairs. Insurance proceeds will fund the fire damage repair work and the Port will fund the required structural repairs. The counterweights will be removed as to reduce the earthquake loads acting on the structure.
STATUS	The design for the repair work and seismic retrofit work is 90% complete. The fire damage repair drawings have been presented to the insurers for their review and cost estimate. A cost estimate will be prepared by Don Todd & Associates to establish the construction cost of the required structural strengthening. Maintenance is developing a condition survey of the wood base to determine extent of dry rot in the supporting members.
PROJECT COST	$1/2 to $1 million depending on extent of required restoration.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Advertise Contract: July 2000 Award Contract: September 2000 Construction Start: November 2000 Construction Complete: February 2001

PIER 52 PUBLIC BOAT LAUNCH

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	The total project scope for the new Pier 52 Public Boat Launch includes a new pile-supported double lane boat launch ramp, two boarding floats, a disability access gangway and guest dock, a 40 space vehicle/boat trailer parking lot, and roadway and landscaping improvements throughout the Pier 52 site. In addition, outdoor public access and landscaping will be improved from its current condition. An LED crosswalk signaling system will be installed in order to improve safe access to and from the parking lot. Infrared signals with talking signs will also be installed to assist the visually impaired.
STATUS	Bids were opened in December 1998. The lowest responsive bid was much more than available funding. Therefore, the project scope was reduced to include only the parking lot and undergrounding the electrical overhead lines. The revised contract documents were completed in October 1999. When the project was ready to bid, Catellus re-sequenced its development plans for Mission Bay. The revised plans changed the Terry Francois Blvd alignment and impacted the Pier 52 Parking Lot design. The realignment of TFB requires repositioning and re-design of the Parking lot. Port staff has requested additional 1.023 million funding from Department of Boating and Waterways, State of California. The application is been processing.
APPROVALS	The Maher Ordinance study has been completed in June 1999.
PROJECT COST	Total engineers estimate is $550,000 for the parking lot and undergrounding the overhead electrical.
CONSULTANT	ARCUS Architecture & Planning.
SCHEDULE MILESTONES	ON HOLD, pending management direction.

Pier 50 Office Improvements

Project Manager	Kevin Jensen
Project Description	A capital improvement project to complete the improvements to Pier 50 Shed D Maintenance Department. Work includes a new limited-use limited-access (LULA) passenger elevator serving the second floor offices, as well as accessibility improvements to restrooms on the first and second floors in the office area.
Status	Port Engineering Department staff has prepared working drawings and specifications to 85% completion, and will be issuing the documents to the Port's maintenance department midyear. Construction is expected to take approximately 6 months.
Project Cost	The project is funded by $557,059 in New Maintenance Facility Loan funds.
Consultant	None.
Schedule Milestones	August, 2000 — Issue working drawings and specifications to Maintenance Department for construction. September, 2000 — Begin Construction March, 2001 — End Construction

RASTERIZING ENGINEERING DRAWINGS

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	Convert existing engineering drawings into electronic format. This project includes the training of Port Staff in the use of software used for drawing retrieval, viewing, editing, and reproduction. Converting the existing drawings to electronic format enables Port staff to view the drawings on their computers, and eliminates the need to transfer drawings from their current location to the Port's new office in Pier 1.
STATUS	Purchase Order was advertised in August 1999. RPM Imaging was the successful bidder for this project. First drawing shipment was sent to RPM in October 99. We have sent approximately 7200 drawings to RPM for conversion. About 6000 digitized drawing can now be reviewed from the Port's drawing database. A public viewing station was set up for public retrieval. Two sections of training have been given to the staff of Engineering. A presentation to all Port employees has been scheduled in June.
PROJECT COST	Total engineers estimate is $150,000.
SERVICE PROVIDER	RPM Imaging.
SCHEDULE MILESTONES	September 13, 1999, Purchase Order was approved by City's Purchase Office. September 2000, drawing conversion completed.

Americans With Disabilities Act Transition Plan

Project Manager	Kevin Jensen	
Project Description	Port of San Francisco's Accessibility Transition Plan (draft). This Plan is mandated by the Mayor's Office on Disability for all city departments. The Plan describes a prioritized list of capital projects that are intended to remove barriers to accessibility to disabled persons using Port facilities.	
Status	The Port's draft transition plan was started in 1992 and was last updated in 1997. The plan requires updating, due in part to current and anticipated development projects as well as changes in the lease status of several facilities. There are a number of facilities that were not originally surveyed to ascertain their transition plan status. These facilities will be surveyed and included in the plan as required.	
Approvals	Port staff will be updating and expanding the current draft transition plan in the year 2000. The current draft plan is on file with the Mayor's Office on Disability as part of the overall City Transition Plan.	
Project Cost	Total costs of $415,000 are identified in the plan, although this figure will likely be higher once the plan is revised due to the limited nature of the current plan. The projects will be a paid for with Port Capital funds.	
Consultant	None.	
Schedule Milestones	December, 2000	Revise Pier 35 Passenger Terminal entry, exits, path of travel, parking, pay phones and restrooms.
	December, 2000	Revise Agriculture Building entry, exits, path of travel, parking, drinking fountains and restrooms.

HYDE STREET HARBOR IMPROVEMENTS PROJECT

PROJECT MANAGER	Mojgan Yousefkhan
PROJECT DESCRIPTION	The Hyde Street Harbor project has been divided into two distinct construction projects: the Hyde Street Harbor Waterside Improvements Project and the Hyde Street Harbor Landside Improvements Project. The main waterside project components include: Harbor consisting of a 60 berth fishing facility, accessible gangway and floating walkways, and sewer, bilge and electrical utilities. The main landside project components include: new utilities along Hyde Alley, including a new asphalt paved surface, Partial demolition of the 490 Jefferson building to accommodate a new 24 car parking lot, new parking lot at the North end of Hyde Alley to accommodate 21 parking stalls, new bathroom, utility and storage facility located within the existing blue shed building on Hyde Alley, public and disability access from Jefferson Street to the public access area at the North end of Hyde Alley.
STATUS	Waterside: The Port Commission authorized the award of construction contract 2663, Hyde Street Harbor Waterside Improvements to Peak Engineering Inc. (PEI). The Notice to Proceed was issued on March 28, 2000. PEI attended the Fisherman's Wharf Advisory Committee monthly meeting and made a short presentation on the plans for this work, including the construction staging for marina construction. PEI will start the site work in early July. The concrete floats are being fabricated by Bellingham Marine in Dixon, California. Pile driving will commence in July. Landside: The Port Commission authorized the award of construction contract 2664, Hyde Street Harbor Landside Improvements to Proven Management Inc. (PMI). The Notice to Proceed was issued on May 8, 2000. PMI attended the Fisherman's Wharf Advisory Committee monthly meeting. The contractor made a short presentation on the plans that he developed to

mitigate construction impact, traffic control, access, and noise during the construction period. PMI started the site work on May 10, 2000 with the partial demolition of the existing building located at 490 Jefferson St. The contractor will proceed with pile driving next week. Port staff prepared several design modifications to address the Port's Planning and Environmental Sections comments. PMI is currently evaluating the cost and schedule impacts that these modifications may cause.

PROJECT COST

Waterside:

$2,601,500 (representing the base and alternative work items plus a 10% contingency)

Landside:

$2,310,571 (representing the base and alternative work items plus a 10% contingency)

PROJECT FUNDING

The funding sources for design and construction of Hyde Street Harbor Improvements project (including both waterside and landside) are:

Cal- Boating Loan	$3,500,000
Cal- Boating Grant	$ 86,500
Clean Water Grant	$ 400,000
Previously appropriated Port Capital Funds	$2,140,500
TOTAL	***$6,127,000***

CONTRACTOR

Waterside:

Peak Engineering Inc – The firm is a certified MBE and LBE contractor and successfully met the MBE and WBE contracting goals.

Landside:

Proven Management Inc- The firm is a certified MBE and LBE contractor and successfully met the MBE and WBE contracting goals.

SCHEDULE MILESTONES

Waterside:

March 2000	Issue Notice to Proceed
July 2000	Begin on site work after approval of schedules and submittals
October 2000	Construction completed

Landside:

May 2000	Issue Notice to Proceed
November 2000	Construction completed

DOWNTOWN FERRY TERMINAL

PROJECT MANAGER

Nieret Mizushima

PROJECT DESCRIPTION

The Downtown Ferry Terminal project, funded primarily through Federal sources, consists of a base bid plus four alternate bid items. The base bid consists of two new ferry terminals. The first to be constructed will be a new covered landing facility adjacent to the south end of the Ferry Building. Complete with portal structures, railings and amenities that will echo the historic and maritime architectural themes of the Ferry Building and other waterfront pier-buildings, the new landings will also feature attractive stonework, paving and artwork at the portal that will enhance the attractiveness of the new facilities and the waterfront. A new breakwater (Alternate Bid Item added after award of contract) will be built to provide a safer and more accessible landing environment for the ferries.

After the new landings are constructed, the existing landing at Pier ½ will be removed and drydocked. The old pier ½ float and gangway will be used for emergencies and temporary landing. The pier ½ area will then be leased to Hornblower for their excursion vessels.

The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. The berthing capacity at the Ferry Building will be more than doubled. The new floats will be more efficient with wider ramps and improved layout capable of accommodating dual door loading and unloading. They will also be more reliable as they are equipped with emergency generators for continued operation in the event of a power outage. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.

STATUS

Notice to Proceed was issued to the Contractor on January 24, 2000. The scheduled completion date for the project construction is January 7, 2001 with the south terminal operational in early November of 2000 and the north terminal following by one month. The project is currently on schedule. Additional federal and state funds have been recently added to the project for the Alternate Bid Item to provide a new (rather than refurbished) north float and gangway with canopies. Additionally, the Commission authorized Port funds to supplement the federal grant for the addition of the Alternate Bid Item to provide a breakwater. Funds have not been

identified to fund the Public Access trestle and finishes for the breakwater.

APPROVALS

No further approvals anticipated.

PROJECT COST

The Base Bid cost plus contingency is $10,089,696.
The Breakwater alternate with contingency is $3,847,536.
The new North Terminal float alternate bid item with contingency is $1,320,000. Total costs with contingency are $15,257,232

CONTRACTOR

Miller/Thompson Constructors – The firm is a woman-owned disadvantaged business enterprise (DBE) and successfully met the Federal DBE contracting goals. The key subcontractors are Manson and LTM.

SCHEDULE MILESTONES

November 2000	Open new South Terminal;
December 2000	Open new North Terminal and remove existing Pier ½ float from service
January 7, 2001	Construction completed

ILLINOIS STREET BRIDGE

PROJECT MANAGER

Nieret Mizushima

PROJECT DESCRIPTION

A new bridge will be constructed across Islais Creek at Illinois Street. The bridge will be used by freight trains serving Pier 80 from the ICTF as well as local truck traffic. The bridge will significantly reduce rail distance from both the main line (from present 3.3 miles to 0.66 miles) as well as between the North and South Cargo Terminals (from 4 miles to 0.2 miles). Completion of this bridge will allow the freight rail service tracks to be eliminated in the Mission Bay Development area and will also result in fewer interface points between the future 3rd Street Light Rail and the freight rail. The bridge is proposed to be a lift-segment moveable type rather than a fixed type in order to accommodate occasional dredging and maintenance vessels in the Islais Creek waterway.

STATUS

A consultant is currently completing a type selection study to confirm the most appropriate and cost effective moveable bridge type for the area and uses. They will also be completing the preliminary design and cost estimate within the next quarter. As an accelerated completion of the project will substantially benefit the multi-phased Mission Bay Development and the 3rd Street Light Rail projects, Port staff are working with Catellus and MUNI to coordinate the projects. The environmental review is underway as part of the Southern Waterfront Supplemental Environmental Impact Report (SWSEIR) and is anticipated to be published in draft form by the fall of 2000 with certification in early 2001.

PROJECT COST

The previous cost for the project is estimated at $7.1 million, however, this estimate will be updated with the completed preliminary design. Secured funding for the bridge includes a $4 million grant in STIP funds and a $2.5 million contribution from Catellus. Additional funding will likely be required, but will be confirmed in the consultant cost estimate.

CONSULTANT

URS

SCHEDULE MILESTONES

July 2000	Preliminary design and cost estimate.
August 2000	Submit permits
November 2000	Begin Final Design
December 2001	Complete Design and Advertise Construction
June 2002	Start Construction
June 2003	Construction Complete

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 8, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to enter into negotiations for the development and lease of Pier 45 Shed A at Fisherman's Wharf for a public attraction use

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ENTER INTO NEGOTIATIONS WITH SAN FRANCISCO AT THE WHARF, LLC FOR AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

This staff report provides information and a summary of the evaluation of the following two proposals submitted in response to the Request for Proposals to develop and operate a San Francisco Bay / Maritime Oriented Public Attraction in Pier 45 Shed A at Fisherman's Wharf ("RFP"): The Bay Center Coalition (with the San Francisco Foundation Community Initiative Funds, as fiscal sponsor) – ***The Bay Center;*** and San Francisco at the Wharf, LLC (with The Malrite Company, LP, as its sole 100% member) – ***San Francisco at the Wharf.*** This report also includes the recommendation that the Port enter into negotiations with San Francisco at the Wharf, LLC for an exclusive right to negotiate agreement to lease and develop a public attraction in Pier 45 Shed A, as well as conditions that should be incorporated into the exclusive right to negotiate agreement.

BACKGROUND

In January 1996, Port staff formed the Pier 45 Advisory Group made up of representatives of various constituencies comprising the Fisherman's Wharf community. This advisory group was formed to discuss and resolve operational issues concerning Pier 45 and to provide input and guidance on the long-term uses of Sheds A and C of Pier 45. On October 14, 1997, the Port Commission by Resolution No. 97-83 adopted guidelines recommended by the Pier 45 Advisory Group regarding long-term uses for Pier 45 Sheds A and C, which included that: "Shed A [is] to be reserved primarily for public attraction

uses that are compatible with the fishing industry and with the Fisherman's Wharf area, and include a significant maritime component."

In November 1998, Port staff reconvened the Pier 45 Advisory Group to provide input and guidance on the development concept to be included in the RFP for Pier 45 Shed A. On June 29, 1999, the Port Commission approved Resolution No. 99-45 adopting a development concept substantially in conformance with the recommendations of the Pier 45 Advisory Group. The RFP, which was published on August 25, 1999, set January 25, 2000 as the deadline for proposals.

The Opportunity

Article VIII of the RFP states that:

> "The Port is now seeking a qualified for-profit or non-profit entity ('developer') to lease from the Port the existing 71,133 sq. ft. Shed A of Pier 45, and to develop and operate in Shed A a public attraction, consisting of assembly, entertainment, and museum uses...Other ancillary uses would be permitted, including restaurant and retail uses, but restaurant uses would be limited to a maximum of 5,000 sq. ft. of gross leaseable area and retail uses would be limited to a maximum of 16,000 sq. ft. of gross leaseable area."

Development Goals

The RFP further states that:

> "The primary goal of the Port for this project is the creation of public attraction uses in Shed A which: (1) have a quality educational/ learning/interpretative focus; (2) are strong enough to significantly enhance the image of Fisherman's Wharf; and (3) support the long-term future of the fishing industry. These public attraction uses must meet the following audience goals: (1) draw new audiences and local visitors to Fisherman's Wharf; (2) be of a quality that attracts repeated visits; (3) generate an off-season (November – April) draw; (4) be family-oriented; and (5) be affordable. The public attraction uses must incorporate San Francisco Bay-oriented and maritime-oriented themes, and should also incorporate as many as possible of the following themes: (1) ecosystem of San Francisco Bay / California; (2) environment; (3) heritage of San Francisco Bay; (4) heritage of Fisherman's Wharf / Aquatic Park; and (5) environmental and historic preservation."

The RFP also indicates specific Planning, Financial and Design Objectives, and Use Restrictions, as well as Key Lease Terms, and General Terms and Conditions.

Selection Criteria

The RFP states that:

> "The Port is seeking a development that meets all of the Port's Development Goals and Objectives set forth in [the RFP]. However, the Port's paramount criterion in selecting a developer for exclusive negotiations is the demonstrated ability and intent to achieve the Development Goals stated above regarding the creation of public attraction uses. The relative importance of criteria for selecting a developer are indicated below in descending order...:"
>
> 1. Achievement of Development Goals.
> 2. Experience and Financial Capacity.
> 3. Achievement of Planning Objectives.
> 4. Achievement of Financial Objectives.

5. Achievement of Design Objectives.
6. Other factors as appropriate.

For each criteria indicated above, the RFP lists a number of sub-criteria to be considered in evaluating the criteria, but specifically states that the order of the sub-criteria is not indicative of their relative importance.

SUMMARY OF PROPOSALS

On January 25, 2000, two proposals were received by the RFP deadline from the two development entities indicated below:

The Bay Center	*San Francisco at the Wharf*
The Bay Center, to be established as a 501(c)(3) non-profit organization and headquartered in San Francisco. The Bay Center Coalition, sponsor, and San Francisco Foundation Community Initiative Funds, fiscal sponsor. Acting Chair: Christopher Martin	San Francisco at the Wharf, LLC, a State of Delaware Limited Liability Company. The Malrite Company, LP, as the sole, 100% member of the LLC, established in 1998 and headquartered in Cleveland, Ohio. Chairman and CEO: Milton Maltz

An informational presentation of these proposals was made to the Port Commission on February 15, 2000. Attached as Appendices A-D are comparisons of the Development Teams, Development Concepts, Financial Proposals, and Operational Projections. (Note that there are some modifications included in these appendices that differ from the informational presentation made on February 15, 2000, reflecting additional materials and supplemental information provided since then by the proposers.)

EVALUATION OF PROPOSALS

Port staff, with the assistance of a Consultant Team led by Bay Area Economics, evaluated the submittals of the two respondents for completeness and against the Selection Criteria indicated in the RFP. Other members of the Consultant Team included Pannell Kerr Forster (PKF), Terranomics, EDAW, Inc., Olivia Chen Consultants, and Pittman & Hames Associates. During the course of the evaluation, Port staff asked the proposers for additional information and clarifications, and the proposers supplemented their proposals.

There are general differences between the two proposals—including the nature of both the respondents and of the proposals themselves. First, the proposed development entity for ***The Bay Center*** is a to-be-established non-profit 501(c)(3) corporation, and the proposed development entity for ***San Francisco at the Wharf*** is a new for-profit Delaware Limited Liability Corporation. Second, the basic development concept for ***The Bay Center*** is an Education/Interpretive Center, and the basic development concept for ***San Francisco at the Wharf*** is an Urban Entertainment Complex. Both concepts combine education and entertainment, but with different emphases. ***The Bay Center*** plans to emphasize education which is entertaining, while ***San Francisco at the Wharf*** plans to emphasize entertainment which is educational. Third, the basic theme of ***The Bay Center*** is Bay ecology and stewardship, while the basic theme of ***San Francisco at the Wharf*** is San Francisco History. Finally, the two proposals propose different lease terms and rental structures.

Each proposal and the qualifications and experience of each proposer to develop and operate the Project were evaluated using the Selection Criteria indicated in the RFP. While both proposals were determined

to be responsive to the requirements of the RFP, their responsiveness to the various Selection Criteria differ to varying degrees. The evaluation of the proposals and proposers is outlined below.

1. Achievement of Development Goals

Demonstrated ability and intent to achieve the Development Goals is stated in Article VIII of the RFP as the Port's paramount criterion in selecting the developer. The evaluation of the two proposals against the Achievement of Development Goals criterion involved: (1) an evaluation of the proposed development plan, including the project concept, development program, operational and management plan, and creation of Required and Encouraged Uses that would demonstrate an intent to achieve the Development Goals; and (2) an evaluation of the feasibility of the proposal that would demonstrate an ability to achieve the Development Goals.

Development Plan

This Section summarizes the evaluation of how each proposal demonstrates the ability and intent to achieve the Development Goals stated in the RFP.

Development Goal	*The Bay Center*	*San Francisco at the Wharf*
Quality educational/ Learning/ interpretative focus	The project concept and development program fully meet the Development Goals. The intent of the project is an educational interpretation of the history and ecology of SF Bay. The project devotes the preponderance of the development program to museum/ public attraction uses that are directly educational and focused on interpretation.	The project concept and development program partially meet the Development Goals. The intent of the project is to provide an interpretive history of San Francisco. The project devotes the preponderance of the development program to public attraction uses that are entertaining, while also being educational; it also includes a 2,000 sq. ft. State of the Bay Experience museum which is directly educational and interpretive.
Enhances image of Fisherman's Wharf ("FW")	The project would provide a different type of experience not now available at FW, which should help to modify the image of FW as solely a tourist destination.	The project, as an innovative urban entertainment complex, would help to update the image of FW, but would not substantially modify its image as solely a tourist attraction.
Support long term future of fishing industry	The themes and programs would support the long term future of the fishing industry through public education and as a resource information center for the fishing industry.	The project's support of the long term future of the fishing industry would involve the presentation of its history within the ticketed attraction and of its future within the 2,000 sq. ft. museum component.
Audience Goals	The proposer expects its project to initially attract 429,000 visitors per year, with 46% tourists, 38% Bay Area residents and 16% local school children. The majority of its visitors are thus expected to be from the Bay Area, who might not otherwise visit FW. As a museum with changing exhibits and educational programs, the project should attract repeat visitors. As a museum attracting Bay Area residents	The proposer expects its project to initially attract 675,000 visitors per year, with 68% tourists and 32% Bay Area residents. The project appears to focus on tourists, who might already be visiting FW. The project plans to change in response to input from visitors, which may encourage repeat visits. With the majority of its expected visitors being tourists, its visitation pattern would be expected to coincide

Development Goal	*The Bay Center*	*San Francisco at the Wharf*
	and school children, it should generate an off-season draw. The project concept is family-oriented, and the pricing structure is very affordable.	with tourist seasons. The project concept is family-oriented, with a pricing structure towards the higher end for comparable attractions.
Themes	The project concept is focused around San Francisco Bay and maritime oriented themes. The project's focus on the history and ecology of SF Bay incorporates all of the other thematic goals.	The project concept emphasizes themes of San Francisco history, and includes San Francisco Bay, maritime, and heritage of FW themes within the ticketed attraction and one of the retail spaces. Themes related to the SF Bay and California ecosystem, environment, and environmental preservation are included in the 2,000 sq. ft. museum component and one of the retail spaces.

The following table summarizes the evaluation of how well the operational and management plan ("O&M plan") of each proposal addresses the Development Goals stated in the RFP.

The Bay Center	*San Francisco at the Wharf*
The O&M plan appears to addresses all of the Development Goals. However, the O&M plan is deficient in that the Board of Directors and the Executive Director of the yet to be created operating entity which would form and implement the O&M plan are not identified.	The O&M plan, which focuses primarily on the public attraction and commercial aspects of the project, partially addresses the Development Goals. The O&M plan addresses how it supports the long term future of the fishing industry, but it does not adequately address the attraction of local, repeat and off-season visitors. The O&M plan is unclear for the 2,000 sq. ft. museum, which addresses the themes of the environment, ecosystem of SF Bay and California, and environmental preservation, which are related to the future of the fishing industry. The proposer is conducting on-going discussions with the California Academy of Sciences to operate this museum.

The following table summarizes the evaluation of how well each proposal creates uses Required and Encouraged in the RFP.

The Bay Center	*San Francisco at the Wharf*
The project creates all of the Required Uses, includes the Encouraged Uses, and adheres to the size limits for permitted retail and restaurant uses (the amount of such permitted uses would be well within the prescribed limits, provided that the indicated "Flex Space" is not utilized for retail or restaurant uses). The mix of uses gives the greatest weight to Required Uses and the themes indicated in the Development Goals, and de-emphasizes retail and restaurant uses.	The project creates all of the Required Uses, includes the Encouraged Uses, and adheres to the size limits for permitted retail and restaurant uses. The proposed assembly and entertainment uses meet the goals of providing a public attraction, although only portions are devoted to the primary themes. Only the 2,000 sq. ft. museum and one retail space address the themes related to the environment, Bay ecology, and environmental preservation.

The following table summarizes the evaluation the demonstrated understanding of local and community issues by the each proposer.

The following table summarizes the evaluation the demonstrated understanding of local and community issues by the each proposer.

The Bay Center	*San Francisco at the Wharf*
The developer would be headquartered in San Francisco, and all of the development team members have demonstrated an understanding of local and community issues.	Milton Maltz has a track record in understanding local market and community issues with programming and marketing radio stations owned in San Francisco. While some of the development team members do not have a track record in San Francisco, other development team members do have a demonstrated understanding of local and community issues.

Feasibility

The preceding Development Plan analysis evaluates how well each proposal meets the Port's Development Goals and concludes that ***The Bay Center's*** proposal meets the Development Goals specifically, and that ***San Francisco at the Wharf*** meets the Development Goals with varying degrees of success. The following feasibility analysis evaluates the degree to which each proposer has demonstrated an ability to actually achieve its development plan. Port staff and its consultants identified the types of development and operational risks inherent in each development project, presented in the context of the Development Goals and objectives stated in the RFP. This risk analysis is presented in order to compare the relative abilities of each proposal to achieve its respective development plan and the Port's Development Goals.

The following table summarizes the evaluation of these risk factors from the perspective of the Port in the context of the Development Goals and objectives stated in the RFP. These risk factors consist of: (1) development, entitlement and financial risks relate to the financial feasibility of the project actually being built, which will enable these goals and objectives to be achieved; and (2) market and operating risks relate to the financial feasibility of the project after it is built, which will enable these goals and objectives to be achieved on an on-going basis.

Risk Factors	*The Bay Center*	*San Francisco at the Wharf*
Development Risk	**High risk** because developer will be a newly formed entity with no prior experience developing or operating a project. The development team members individually are experienced in various aspects of project development, design, construction and fund raising, but will face the challenge of taking an idea to fruition without start-up capital.	**Low – moderate risk.** The owner and employees of the developer have demonstrated the ability to develop and operate businesses, and the developer has assembled an experienced development team. However, the developer itself has not yet completed a development project.
Entitlement Risk	**Low risk** since the development concept fully meets the Development Goals and due to the composition of its supporters. The development project manager and other members of the development team have significant experience securing entitlements under California statutes and in San Francisco's regulatory environment.	**Moderate risk** due to the less than full achievement of the Development Goals by the proposed project. The developer and project manager have little experience securing entitlements under California statutes and in San Francisco's regulatory environment, but members of the development team have extensive experience in this area.

Risk Factors	*The Bay Center*	*San Francisco at the Wharf*
Financial Risk	**Very high risk** because the start-up and development funding is dependent on a major fundraising campaign, seeking private donors as well as foundation and other grant support. Fundraising of the magnitude stated in the proposal carries the risk of financing uncertainty, both in the ability to raise enough funds and timing. While there have been recent successful fundraising campaigns for somewhat comparable projects in the Bay Area of this magnitude, these campaigns have taken more time than indicated for the proposed project, and the fundraisers identified in the proposal have not conducted fundraising campaigns of this magnitude. Furthermore, the developer has not identified a Board of Directors that would oversee the developer's fundraising efforts.	**Low risk** in that the developer has demonstrated significant capital at its disposal sufficient to fund the project, subject to assurances (discussed below under Financial Capacity) of the funds being available for the project.
Market Risk: Tourists	**Low risk** in that the project requires a relatively low number of tourist visitors, who would already be in the area and should be attracted by the low admission pricing.	**Low – moderate risk.** The project contains innovative but untested entertainment components at a location which has consistently drawn significant numbers of tourists. The primary risk of attracting tourists will be in terms of achieving the projected number of ticketed admissions at the prices projected. The projected level of ticketed admissions is above that achieved by other "walk through" attractions at FW, such as Underwater World and the Wax Museum.
Market Risk: Bay Area Residents	**Low risk** because, while it expects to rely primarily on this market, its projections are consistent with existing comparable education/interpretive centers in the Bay Area. Interactive displays, a resource center, and other indicated activities and events should draw repeat local visitors.	**Moderate – high risk** due to the walk through nature of the attraction. In order to accommodate the projected 675,000 admissions per year through a 21,600 sq. ft. ticketed attraction, the visitor density suggests a walk through environment that may limit the opportunity for individual interactions, which encourages repeat visits. The proposed specialty retail concepts appear to be geared more to tourist visitation than to repeat shopping by local residents, but the food & beverage offering may be attractive to local residents if it is a high quality experience presented as a different and fun place to eat.
Operating Risk	**Moderate risk.** Its financial structure is designed to function on a reasonably	**Moderate risk** due to the need to attract 461,000 tourist and 214,000 Bay Area

Risk Factors	*The Bay Center*	*San Francisco at the Wharf*
	low revenue stream, and has diverse sources of its operating revenues. Since it will be operated by a non-profit entity, it does not need to achieve a financial return on investment and an operating profit. In addition, it would be eligible for on-going financial support from groups interested in promoting environmental stewardship, and could seek additional grant funding or other infusions of operating assistance. However, the project is not now capitalized for start-up, development and operation, and the proposal does not identify Board of Director members, the Executive Director, and other personnel who would oversee the operation.	residents at an average ticket price of $10.72, in order to achieve the returns necessary to make the project viable for the for-profit development entity. If the market demand is insufficient at this price point, the project could face less than viable cash flows, resulting in lower than expected returns to the developer, and a potential need to change the nature of the attraction. However, the proposal does identify a director of the new facility, as well as other team members, who have experience successfully operating comparable facilities.

Summary – Achievement of Development Goals

The development plan for ***The Bay Center*** complies very specifically with the Development Goals stated in the RFP. The project concept, development program, and O&M plan all reinforce the Development Goals. However, with regard to demonstrating an ability to achieve the Development Goals, ***The Bay Center*** proposal indicates that the newly formed non-profit corporation is not capitalized, has no prior operating history, and has not selected a Board of Directors. Based on these factors, the feasibility risk analysis shows that ***The Bay Center's*** proposal runs a very high risk of failure to achieve the Development Goals during the start-up and development phase of this proposal as it seeks to raise approximately $36.2 million funds to pay for the project. The proposal also presents a moderate risk of failure during the operating period due to the lack of demonstrated funding and oversight. Entitlement risks and market risks in attracting tourists and Bay Area residents are both low.

The development plan for ***San Francisco at the Wharf*** meets the Development Goals to varying degrees. The project conforms to the requested uses and moderately addresses the Development Goals related to project concept, audience and themes. However, the project gives only minor treatment of themes related to the environment, the ecosystem of the Bay, and environmental protection. The project concept does not fully address audiences goals, including Bay Area residents, repeat visits, off-season draw and affordability. With respect to feasibility, ***San Francisco at the Wharf*** shows a low to moderate risk of failure to achieve its development plan during the start-up and development phase of its proposal because, although it has not yet completed a public attraction of the type and scale proposed, it has demonstrated access to sufficient capital and has development team members that have significant business and public attraction development experience. The proposal runs a moderate risk of failure during the operating period as it faces the challenge of operating a new urban entertainment center at a level that creates project profitability while achieving the Development Goals, although this risk is somewhat mitigated by the developer's identification of a director of the new facility, as well as other team members, who have experience successfully operating comparable facilities. Entitlement risks are moderate due to the less than full achievement of the Development Goals. Market risks in attracting tourists is low to moderate, and in attracting Bay Area residents, moderate to high.

The following table summarizes the evaluation of the risk factors inherent to the two proposals.

The following table summarizes the evaluation of the risk factors inherent to the two proposals.

Risk Factors	*The Bay Center*	*San Francisco at the Wharf*
Development Risk	High	Low – moderate
Entitlement Risk	Low	Moderate
Financial Risk	Very High	Low
Market Risk: Tourists	Low	Low – moderate
Market Risk: Bay Area Residents	Low	Moderate – high
Operating Risk	Moderate	Moderate

Based upon the above evaluation, *San Francisco at the Wharf* was rated more favorably for the Achievement of the Development Goals criterion, taking into consideration the risk factors that impact the financial feasibility of the respective proposals. This reflects the high development risk and particularly the very high financial risk inherent in *The Bay Center* proposal which raises significant concerns regarding its demonstrated ability to create the proposed project and thus achieve the Development Goals indicated. Nevertheless, because *San Francisco at the Wharf's* development plan does not realize the Development Goals as fully as possible, this rating is predicated upon tailoring the use restrictions in the lease with *San Francisco at the Wharf* to prohibit changes in the character and uses of the project without the Port's consent, and upon the size of the State of the Bay Experience exhibit being expanded to more fully address the themes expressed in the Development Goals.

2. Experience & Financial Capacity

Experience

The following table summarizes the evaluation of the experience of the developer and development team.

Sub-Criterion	*The Bay Center*	*San Francisco at the Wharf*
Experience of developer to successfully develop a public attraction	The Bay Center has not yet been established, and has no track record of developing projects. The Project Manager during the development phase, Equity Community Builders, has extensive experience developing projects in San Francisco, including The Thoreu Center at the Presdio, but it does not have experience developing a project of the type and scale envisioned in the RFP.	The Malrite Company has not yet successfully completed the development of a public attraction of the type and scale envisioned in the RFP. Its only other project to date is a museum attraction in Washington, D.C titled the "International Spy Museum," which will be a $20 Million component of a larger $120 Million urban entertainment complex that is currently being developed. However, Milton Maltz developed and operated the Malrite Communications Group, a radio and television station chain with annual revenues exceeding $200 Million in 35 markets, including San Francisco. Two employees of The Malrite Company have experience developing other types of public attractions.
Experience, qualifications and local	All of the major consultants on the development team have extensive local	All major consultants have extensive experience. The developer and some

Sub-Criterion	*The Bay Center*	*San Francisco at the Wharf*
presence of the development team	experience and a local presence.	development team members do not have local presence, but other development team members do have a local presence.
Ability of developer and development team to implement complex development projects	All members of the development team have implemented complex development projects.	All members of the development team have implemented complex development projects.
Experience of developer to operate public attraction	The proposal does not adequately identify who will operate the public attraction. The Bay Center is not yet established, and neither the members of the 12-member Board of Directors, the Executive Director, nor any of the staff who will be involved in the operation are identified. However, a consultant for operations and technical advisors are identified.	The developer has not operated large public attractions. However, Milton Maltz operated and created programming and marketing strategies for each broadcast station in the Malrite Communications Group, and key employees of the developer have extensive experience operating large public attractions.
Economic success of prior projects	While the developer has not developed any project, its development Project Manager has successfully developed a number of local projects including The Thoreau Center.	While the developer has started the development of a component of another urban entertainment complex, it is still in development. The most comparable project with which Milton Maltz and an employee of the developer were involved was the Rock and Roll Hall of Fame, a $92 Million development project that attracts 500,000 visitors annually.
Architectural and urban design quality of prior projects	The architectural and design consultants have track records of designing projects with high quality designs.	The architectural and design consultants have track records of designing projects with high quality designs.
Clear lines of responsibility within developer organization during development	Yes.	Yes.

Financial Capacity

The following table summarizes the evaluation of financial capacity of the developer.

Sub-Criterion	*The Bay Center*	*San Francisco at the Wharf*
Financial Strength of Developer	The developer does not currently have the funds needed to develop the project. Funding of the project is dependent upon a major fundraising campaign.	The Malrite Company currently has the ability to provide the funds which the developer needs to develop the project. The Malrite Company currently has in excess of $100 Million at the Bank of New York.
Ability of developer to access debt and/or equity sufficient to capitalize project, which does not require the Port to subordinate its lease or	The proposer has developed a comprehensive plan for its fundraising campaign, including government grants, individual contributions, and foundation support. It has identified potential sources of these funds, and indicates that it has received an initial individual	The proposer indicates that it will use these funds to either fully fund the development costs, or to fund 45% of these costs, with the residual funding being from a loan. The Malrite Company, which is a newly

Sub-Criterion	*The Bay Center*	*San Francisco at the Wharf*
rental income to debt	pledge. Assemblyman Kevin Shelley is requesting a $5 Million appropriation of State funds for the project. The proposer has identified the key fund raisers for the capital campaign. These fundraisers have successful track records (including for the Lindsay Wildlife Museum), but have not undertaken a fundraising campaign of the size required to fund the project. The proposal includes a contingency fund of up to $10 Million of tax exempt revenue bonds, which would not appear to be subordinate to the Port's lease and rental income.	formed entity without an operating history, indicates that it is has entered into a long term lease for a project in Washington, D.C. and is investigating opportunities in other cities. Given these current and potential developments and the lack of revenue generating history, assurance of these funds being available for the project is needed.
Specific evidence of developer's financing resources	No specific evidence was provided of the developer's financial resources. Its resources are dependent upon a successful capital fundraising campaign.	Evidence provided of funds in excess of $100 Million being held by the Bank of New York.

Summary – Experience and Financial Capacity

The developer for ***The Bay Center*** has not yet been established, and has not developed any project. The development team for ***The Bay Center*** has the experience and local presence to design and develop the project, but the proposal does not adequately identify the operator of the proposed project. The ability of the developer to fund the project is dependent upon a major fundraising campaign, and the proposal does not provide solid evidence that this capital campaign will be successfully accomplished. ***The Bay Center's*** lack of evidence of financial resources is especially problematic in view of the fact that the Port extended its typical request for proposals response deadline to 150 days in order to allow more time for potential respondents to meet the RFP criteria.

The Malrite Company is a new entity that currently does not have a development track record, and ***San Francisco at the Wharf*** would be developed by a subsidiary limited liability company. However, employees of the developer and members of the development team have experience with developing and operating public attractions. Although the developer does not have local experience or presence, it has put together a development team which includes members with local experience and presence. The developer clearly has the financial resources to devote to the project if a letter of credit can be obtained guaranteeing access to existing assets necessary to capitalize the project.

Based upon this evaluation, ***San Francisco at the Wharf*** was rated more favorably for the Experience and Financial Capacity criterion.

3. Achievement of Planning Objectives

The proposal for ***The Bay Center*** fully meets all of the Planning Objectives. In addition, its development program emphasizes required assembly, entertainment and museum uses, with retail and restaurant uses clearly serving a subordinate, ancillary role. The development project manager and the development team demonstrates a strong understanding of the regulatory process and ability to obtain regulatory approvals.

The proposal for ***San Francisco at the Wharf*** meets all of the Planning Objectives and use restrictions, but some of the Planning Objectives are only partially met. In particular, it is not clear to what extent the

project will increase the appeal of Fisherman's Wharf to local residents, and the museum component is very limited in size. While restaurants and retail uses appear subordinate and ancillary to public attraction uses, they will approach the maximum size permitted. The development team demonstrates a reasonable understanding of the regulatory process and ability to obtain regulatory approvals.

Based upon this evaluation, *The Bay Center* was rated more favorably for the Achievement of Planning Objectives criterion.

4. Achievement of Financial Objectives

Following is a summary of the evaluation of how well the financial proposals (which are shown in Appendix C) meet the Financial Objectives stated in the RFP.

Rental Revenue to Port

The financial proposal for *The Bay Center* offers initial base rent of $360,000 per year, with cost of living adjustments every 5 years, and offers percentage rent, which would be offset against the base rent. The proposed lease term is 50 years.

The financial proposal for *San Francisco at the Wharf* offers initial base rent of $750,000 per year, with annual cost of living adjustments, and offers percentage rent which would be offset against the base rent. The proposal also calls for rent credits against overage percentage rent (percentage rent in excess of base rent) equal to 100% of development costs related to outside Shed A (with a 7-year maximum amortization) and 50% of the remaining development costs (with a 20-year maximum amortization). The proposed lease term is for 50 years, with an initial term of 10 years plus eight 5-year options.

An analysis of the projected rental streams is presented in Appendix E and F, the results of which are summarized below. In that the proposal for *San Francisco at the Wharf* provides for an initial term of only 10 years and a possible total term of 50 years, the rental stream was analyzed for both periods. Note that the projected revenues are net of any rent credits.

Rental Revenues to Port	*The Bay Center*	*San Francisco at the Wharf*
Total Rental Revenue: 10 years	$4,582,430	$8,285,909
Net present value: 10 years	$2,702,661	$4,879,171
Total Rental Revenue: 50 years	$48,372,359	$113,732,302
Net present value: 50 years	$5,676,193	$10,801,345

The projected revenue which the Port would receive from the *San Francisco at the Wharf* project, even after rent credits, would be approximately double that which it would receive from *The Bay Center* project, in terms of both total revenues and the net present value of these revenues, both for 10-year and 50-year periods. However, *The Bay Center* proposal commits to a 50-year lease term while the *San Francisco at the Wharf* proposal only commits to a 10-year lease term. Consequently, *The Bay Center* proposal would generate revenue to the Port for 50 years to help the Port meet its public trust objectives, while the revenue generated from Shed A under the *San Francisco at the Wharf* proposal is uncertain after the 10th year.

Capital Improvements

The development costs estimates for ***The Bay Center***, totaling $36.2 Million (or $436 per sq. ft.), are broken down clearly and seem appropriate. No rent credits are requested to reimburse the developer for these development costs.

The development costs estimates for ***San Francisco at the Wharf***, totaling $30.7 Million (or $432 per sq. ft.), seem appropriate in the aggregate. The proposal requests that rent credits be granted against overage percentage rent totaling approximately $16 Million, or about 53% of the total development costs. The rent credit structure proposed by ***San Francisco a the Wharf*** appears reasonable given the high level of guaranteed base rent proposed. The base rent guaranteed by ***San Francisco at the Wharf***, which is not reduced by the proposed rent credits, is significantly greater than the annual rent projected to be paid by ***The Bay Center***, which includes non-guaranteed percentage rent.

Assumption of Financial Risks

Both proposers would assume the initial financial risks of the development and construction of the project. The ***San Francisco at the Wharf*** proposal could shift some of the cost burden to the Port by applying rent credits to overage percentage rent. If the developer exercises the options to extend the lease term, up to 53% of the development costs burden could be borne by the Port through rent credits. If the developer does not exercise these options, the Port could be left with a vacant albeit improved facility. ***The Bay Center*** proposal potentially shifts some of the operational risk to the Port, in that it indicates a contingency plan involving revenue bonds of up to $10 Million, which would not appear to be subordinate to the lease and revenue to the Port. Such unsubordinated financing would be inconsistent with the requirement stated in the RFP that the Port's lease and rental income stream will not be subordinated.

Length of Lease Term

Key Lease Term No. 2 of the RFP indicates that the Port would agree to a lease term appropriate to the proposed rental provisions and uses, not to exceed 50 years. The proposal for ***The Bay Center*** for a 50-year lease term is reasonable given its assumption of all the development cost burden without rent credits and the nature of the proposed use which involves low market risks. The proposal of ***San Francisco at the Wharf*** for a 50-year term, however, is questionable due to its proposed rental structure and use. With the Port potentially granting rent credits for 53% of the development costs, a 50-year lease term may not be needed for the developer to amortize its improvements.

Completion Guarantees

The completion guarantees for both proposals would be provided by the development entity, which in both cases would be independent legal entities. However, ***The Bay Center's*** financial guarantee would be dependent upon the success of its fundraising campaign and achieving possible contingency financing which is subordinate to the lease and rental income to the Port, while ***San Francisco at the Wharf*** currently has the funds available to complete the project.

Summary – Achievement of Financial Objectives

Based upon this evaluation, ***San Francisco at the Wharf*** was rated more favorably for the Achievement of the Financial Objectives criterion.

5. Achievement of Design Objectives

Due to the quite restrictive Design Objectives stated in the RFP, the design proposals do not differ markedly. In general, ***The Bay Center*** project would be a high-quality design that meets the Design Objectives. In general, the ***San Francisco at the Wharf*** project would also have a high overall design quality, and it would adequately address the Design Objectives. There are some concerns with the compatibility of its emphasis on a festival atmosphere to the maritime industrial context and with how closely the project design adheres to the historic preservation recommendations, but these appear to be resolvable during the design review process. Based upon this evaluation, ***The Bay Center*** was rated more favorably for the Achievement of the Design Objectives criterion.

6. Other Factors

Another factor to consider is the community support for the respective proposals.

Community support for ***The Bay Center*** includes the Fisherman's Wharf Waterfront Advisory Group (successor to the Pier 45 Advisory Group). On February 15, 2000, both of the proposers made presentations to the Fisherman's Wharf Waterfront Advisory. Following a discussion of the proposals, the advisory group endorsed ***The Bay Center*** proposal by a 9-2 vote, with 3 abstentions. (6 of the advisory group members who voted for endorsing ***The Bay Center*** are members of the Bay Center Coalition which is the sponsor of this proposed project, the 2 members who voted against this endorsement have financial interests in ***San Francisco at the Wharf***, and 1 member who abstained has financial interests in both projects.)

In addition, The Bay Center Coalition, which provides guidance to ***The Bay Center*** includes the following members of the Fisherman's Wharf community: Nunzio Alioto of Alioto's Fish Company, Christopher Martin and Holly Krassner of The Cannery, Bob Miller of the Crab Boat Owners Association, Meg Reilly of the Dolphin Club, and Tom Creedon of Scoma's. Written support for ***The Bay Center*** proposal have also been received from Nunzio Alioto, Bob Miller, Tom Creedon, Meg Reilly, Aaron Peskin of The Telegraph Hill Dwellers, Jane Morrison and Jennifer Clary of San Francisco Tomorrow, Barry Cohan of Cohan Seafood Company, Pete Pomilia of North Coast Fisheries, Inc., and Robert Macintosh of Pier 39. Representatives of the following organizations have also given written support for ***The Bay Center:*** California Dept. of Parks & Recreation, California Dept. of Education, California Maritime Academy, SF Dept. of the Environment, SF Public Utilities Commission, SF Unified School District, National Oceanic and Atmospheric Administration, San Francisco Bay Trail, San Mateo County Harbor District, California State Coastal Conservancy, Bay Area Open Space Council, California Academy of Sciences, San Francisco BayKeepers, Center for Marine Conservation, Farallones Marine Sanctuary Association, The Institute for Fisheries Research, Coyote Point Museum, Lindsay Wild Life Museum, Pacific Coast Federation of Fishermen's Associations, San Francisco Beautiful, San Francisco Estuary Institute, Save the Bay, Surfrider Foundation-San Francisco, Sierra Club, The Trust for Public Land – Western Region, and Bay Area Discovery Museum. In addition, a significant number of letters supporting ***The Bay Center*** have also been received from interested citizens.

The development team for ***San Francisco at the Wharf*** includes Kevin Westlye of the Franciscan Restaurant, and the project will involve Red & White Fleet, including its ticketing and water excursions. Written support for ***San Francisco at the Wharf*** has been received from the following members of the Fisherman's Wharf community: Tom Escher of Red & White Fleet, Ken Burger, Jr. of Franciscan Restaurant, Rodney Fong of the Wax Museum, Jack Dallas of Radisson Hotel Fisherman's Wharf, Jan Misch of The Tuscan Inn, Melanie Pedro of Tower Tours, Roger Kaufman of R&K, and Jim Lazarus. Representatives of the following organizations have also given written support to ***San Francisco at the Wharf***: California Academy of Sciences, California State Library, San Francisco Museum, California Historical Society, San Francisco Black Chamber of Commerce, San Francisco Tour Guide Guild, and

San Francisco Building and Construction Trade Council. In addition, the developer of *San Francisco at the Wharf* has undertaken an extensive outreach to numerous neighborhood organizations and associations. It has also held the first of what the developer indicates to be a series of education oriented workshops to assist the development of a comprehensive educational program to support the exhibits and information presented by the proposed project.

Based upon this evaluation, *The Bay Center* was rated more favorably for the Other Factors criterion.

CONCLUSIONS & RECOMMENDATION

Summary of Rankings Against Selection Criteria

The following table summarizes the results of the evaluation and ranking of the proposals by each of the Selection Criteria indicated in the RFP.

Selection Criteria	*The Bay Center*	*San Francisco at the Wharf*
1. Achievement of Development Goals	2	1
2. Experience and Financial Capacity	2	1
3. Achievement of Planning Objectives	1	2
4. Achievement of Financial Objectives	2	1
5. Achievement of Design Criteria	1	2
6. Other Factors as appropriate	1	2

Overall Ranking

As indicated above, the RFP states that the relative ranking of these Selection Criteria are in descending order, with Criterion 1 being most important and Criterion 6 being least important. It also states that the Port's paramount criterion in selecting a developer for exclusive negotiations is the demonstrated ability and intent to achieve the Development Goals stated above regarding the creation of public attraction uses. Because *San Francisco at the Wharf* was rated higher on Selection Criteria 1,2 and 4, *San Francisco at the Wharf* was rated more favorably overall.

Recommendation

Port staff therefore recommends that the Port Commission authorize staff to enter into negotiations with San Francisco at The Wharf, LLC for an exclusive right to negotiate agreement. The fundamental terms of this exclusive right to negotiate agreement would be as outlined in the RFP. However, although *San Francisco at the Wharf* was rated more favorably overall, Port staff believes that there are the following issues with the *San Francisco at the Wharf* proposal which need to be addressed:

1. This proposal involves certain market and operating risks, and as a proposed for-profit project, there is the further risk of the project moving away from desired themes over time should the project not be as financially successful as projected.

2. While its development plan is responsive to the Development Goals, its compliance with some of the development goals, particularly some of the desired themes, is limited.

3. While the financial risk was determined to be low, this evaluation is dependent upon the Port being provided a letter of credit or comparable financial security.

4. The proposal of ***San Francisco at the Wharf*** for a 50-year term, is questionable due to its proposed rental structure and use. With the Port potentially granting rent credits for 53% of the development costs, a 50-year lease term may not be needed for the developer to amortize its improvements.

Port staff therefore recommends that, pursuant to Article V, General Term and Condition No. 4(h) of the RFP, the authorization to enter into exclusive negotiations with San Francisco at the Wharf, LLC be subject to the following conditions:

1. The lease negotiated during exclusive negotiations will include very specific use restrictions and requirements reflecting the proposal made by the respondent, with any subsequent changes requiring the consent of the Port Commission, which consent shall be reasonable, but the lease will set forth a number of standards that will be presumed to be reasonable.

2. During exclusive negotiations, the size of the proposed State of the Bay exhibit to be run by a non-profit organization will be expanded, in order to more fully address the themes expressed in the Development Goals stated in the RFP.

3. Prior to delivery of the leasehold, the Port will be provided with a letter of credit or comparable financial security (and as appropriate, a financing commitment letter) satisfactory to the Port guaranteeing that funds will be available to undertake and complete the project and meet the base rent obligations for the first ten years of the lease term.

4. The term of the lease will be the minimum as is reasonably determined by the Port to be commercially reasonable given the proposed improvements, use program, and rent credits, but not to exceed 50 years.

Prepared by: Paul Osmundson
Director, Planning & Development

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-46

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, on October 14, 1997, the Port Commission, by Resolution No. 97-83 adopted guidelines recommended by the Pier 45 Advisory Group regarding long-term uses for Pier 45 Sheds A and C, which included the recommendation that: "Shed A [is] to be reserved primarily for public attraction uses that are compatible with the fishing industry and with the Fisherman's Wharf area, and include a significant maritime component;" and

WHEREAS, in November 1998, Port staff reconvened the Pier 45 Advisory Group to provide input and guidance on the development concept to be included in the RFP for Pier 45 Shed A, and on June 1, 1999, the Pier 45 Advisory Group recommended a development concept to be incorporated into a request for proposals for the development and operation of a public attraction in Pier 45 Shed A; and

WHEREAS, on June 29, 1999,the Port Commission approved Resolution No. 99-45 adopting a development concept to be incorporated into the request for proposals for Pier 45 Shed A substantially in conformance with the recommendations of the Pier 45 Advisory Group, and authorized issuance of a request for proposals for this facility; and

WHEREAS, a Request for Proposals for the lease of Pier 45 Shed A for the development and operation of a San Francisco Bay and maritime oriented public attraction was published on August 25, 1999 ("RFP"); and

WHEREAS, on January 25, 2000, the Port Commission authorized staff to enter into a consulting contract with a team led by Bay Area Economics ("Consulting Team") to assist Port staff in evaluating the proposals submitted in response to the RFP; and

WHEREAS, on January 25, 2000, two proposals were submitted to the Port in response to the RFP, one from the Bay Center Coalition, and one from San Francisco at the Wharf, LLC ("Respondents"); and

WHEREAS, on February 8, 2000, the Respondents made presentations regarding their proposals to the Port Commission and public testimony was received by the Port Commission; and

WHEREAS, following its initial review of the proposals, Port staff on March 9, 2000 requested additional information from the Respondents; and

WHEREAS, Port staff, with assistance of the Consulting Team, has evaluated the Respondents, their responses to the RFP and additional information submitted by the Respondents using the selection criteria indicated in the RFP; and

WHEREAS, the Port Commission has reviewed and evaluated the Respondents, their responses to the RFP, the additional information submitted by the Respondents and the analyses prepared by Port staff and the Consulting Team, and has reviewed the Port staff recommendations set forth in the Memorandum to the Port Commission for Agenda Item 8A of its June 13, 2000 meeting, and has considered the public testimony on this matter given to the Port Commission on February 8, 2000 and on June 13, 2000, and has determined that the proposal by San Francisco at the Wharf, LLC for San Francisco at the Wharf represents the best response to the RFP; now therefore be it

RESOLVED, that the Port Commission hereby awards to San Francisco at the Wharf, LLC the opportunity to enter in an Exclusive Right to Negotiate agreement for the lease of Pier 45 Shed A for the development and operation of a public attraction use, and authorizes and directs the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement, with the understanding that the final terms and conditions of any development agreement, lease or related documents negotiated between the Port and San Francisco at the Wharf, LLC during the exclusive negotiation period will be subject to the approval of the Port Commission, subject to the following conditions: (1) The lease negotiated during exclusive negotiations will include very specific use restrictions and requirements reflecting the proposal made by the respondent, with any subsequent changes requiring the consent of the Port Commission, which consent shall be reasonable, but the lease will set forth a number of standards that will be presumed to be reasonable; (2) during exclusive negotiations, the size of the proposed State of the Bay exhibit to be run by non-profit organization will be expanded, in order to more fully address the themes expressed in the Development Goals stated in the RFP; (3) prior to delivery of the leasehold, the Port will be provided with a letter of credit or comparable financial security (and as appropriate, a financing commitment letter) satisfactory to the Port guaranteeing that funds will be available to

undertake and complete the project and meet the base rent obligations for the first ten years of the lease term; and (4) the term of the lease will be the minimum as is reasonably determined by the Port to be commercially reasonable given the proposed improvements, use program, and rent credits, but not to exceed 50 years; and be it further

RESOLVED, that the Port Commission reserves the right, if negotiations with San Francisco at the Wharf, LLC are unsuccessful and do not lead to approval of a development agreement, lease and related documents, to select the other Respondent to the RFP based on the proposal submitted, other information and conditions at that time, or to undertake other efforts including, but not limited to issuing a new request for proposals, at the Port Commission's sole discretion; and be it further

RESOLVED, that prior to considering the approval of a final lease or related documents for the project which would allow for its development, compliance with the California Environmental Quality Act (CEQA) will be completed.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 13, 2000.

_____

Secretary

APPENDIX A
Development Teams

	The Bay Center	*San Francisco at the Wharf*
Development Project Manager:	Tom Sargent, John Clawson, and Ben Golvin, Equity Community Builders, LLC	Dennis Barrie, San Francisco at the Wharf LLC
Operator:	The Bay Center Coalition Executive Director, reporting to 12-member Board of Governors	Petr Spurney, Vice President of Operations, San Francisco at the Wharf LLC Gladys Hansen, Director of Education
Economic Development:	Clive Jones, Economic Research Associates	Michael Devine and Petr Spurney Jr., San Francisco at the Wharf LLC
Public Relations:		Don Solem, Solem & Associates
Community Relations:		Alfred Williams, Alfred Williams Consultancy
Food & Beverage:		Kevin Westlye
Architecture:	Denis Henmi and Jeff Stahl, Kwan-Henmi Architects	Jeffrey Heller, Heller Manus Architects
Historic Architect:	Barbara Judy / Christina Wallace	Bruce Judd, Architectural Resources Group
Landscape Architect:	Lawrence Halprin	
Structural Engineer:	Harold Davis and Alan H. Kren, Rutherford & Chekene	Mehri Ansari, Ansari Structural Engineers, Inc.
Exhibit Design:	Dean Weldon and Wendelin Montciel, Academy Studios	Kathleen Coakley and Dr. Jeffrey Grove, San Francisco at the Wharf LLC
Exhibit Fabrication:	Dean Weldon and Wendelin Montciel, Academy Studios	
Public Artist:	Ned Kahn, Ned Kahn Studios	
Design Development:	Harold Davis and Alan H. Kren, Rutherford & Chekene	Partrick Gallagher, Gallagher & Associates
Retail Design:		Paul Lechleiter, FRCH Design Worldwide
Food & Beverage Design:		Ron Lieberman, Design Development
Transportation Planning:		Ron Foster, Wilbur Smith Associates
Environmental Planning:	Lawrence Halprin	Karl Heisler, Environmental Science Associates
Construction/ General Contractor:	David P. Parkes and Micheal D. Lipton, McCarthy Building Companies, Northern California Division	Larry Nibbi, Nibbi Brothers

	The Bay Center	*San Francisco at the Wharf*
Legal:	John Sanger and Jay Wallace, Sanger & Olson	Jim Reuben, Reuben & Alters
Financial Underwriter:	Tom Lockard and Dirk ten Grotenhuis, Stone & Youngberg LLC	
Fund Raising:	Fred Auda and Claudia Bluestein Cohan	
Technical Advisors:	Donna Pozzi, California State Parks, Dept. of Parks and Recreation Jerry Aspland. California Maritime Academy, California State University Michael Carlin, Bureau of System Planning, Environment and Compliance, San Francisco PUC Scott Hill, Chief Deputy Superintendent of Public Instruction, California Dept. of Education Marsha Trouton, San Francisco Unified School District Environmental Center Francesca Vietor, San Francisco Dept. of the Environment Nunzio Alioto, Alioto Fish Company Tom Creeden, Scoma's Restaurant Holly Krassner, The Cannery Christopher Martin, The Cannery	California Academy of Sciences Kevin Starr, State Librarian of California

APPENDIX B
Development Concepts

	The Bay Center	*San Francisco at the Wharf*
*Project Concept *:*	"The Bay Center will be a state-of-the-art learning and interpretative resource center dedicated to providing people with a better understanding of San Francisco Bay as a sustainable, precious, and magnificent resource. Educational programming will take advantage of interactive media and allow the public to participate in virtual tours, providing a learning experience for people of all walks-of-life, ages and disciplines. "Specific programs and exhibits offered in these facilities will appeal to drop-in visitors and to local school groups. Although some static museum presentations will be included, emphasis will be placed on hands-on visitor participation and learning experiences. The Bay Area's wealth of creative talent will be tapped to develop interesting, engaging and interactive exhibits. The Bay Center will be an arena for the public, the users, regulatory agents and researchers to interact and have relevant discourse on the future of San Francisco Bay. "The Bay Center will create a venue for coalescing local, state and federal agencies in research and environmental impacts of the Delta and San Francisco Bay. Formal and informal education programs will be offered including lecture series, seminars, classes, interpretive programs, volunteer programs, school programs, and adult programs."	"San Francisco at the Wharf...will be a multi-faceted experience, where every detail is designed to celebrate San Francisco's colorful past, spirited rebirth and renewal, and unparalleled diversity of landscape, population and ideas... "San Francisco at the Wharf will be the creation of the nation's top designers and museum/attraction/ entertainment specialists, working with leading historians on San Francisco's maritime and general history. It will, in fact, provide what today's consumers are looking for: a reality based, interactive, immersive and enriching encounter that is backed by a compelling and historically accurate story. This will provide visitors with a quality educational experience, and at the same time be highly entertaining. "Shed A will be home to a unique, museum-quality adventure that will create fun and excitement for its guests. This unrivaled site will combine a ticketed attraction, a non-profit museum, a comprehensive visitor services center, and attendant and appropriate retail and food and beverage offerings into one spectacular experience - all designed, built and operated around the San Francisco at the Wharf theme."
* Quotes excerpted from Project Concept presented in proposal.		
Development Program:	83,100 sq. ft., including mezzanine	71,133 sq. ft.
Museum /Interpretive Uses (including Assembly and Entertainment Uses))	52,000 sq. ft., including exhibit hall; a temporary exhibit hall; an auditorium; discovery labs, information Resource Center, and Embarcadero Hall (which creates a public way through Shed A, connecting the bulkhead to the	2,000 sq. ft. State of the Bay Experience museum.

	The Bay Center	*San Francisco at the Wharf*
	apron.)	
Assembly and Entertainment Uses:	(Included in above)	46,953 sq. ft., including 21,600 sq. ft. The San Francisco Experience ticketed attraction, and 24,120 sq. ft. Embarcadero Way, a themed indoor streetscape creating a pubic way that extends most of the length of Shed A connecting the uses within Shed A and connecting the bulkhead to the apron.
Visitor Services:	Resource Center of displays regarding Greater Bay Area recreational and educational activities (square footage included in another category).	Outdoor visitor services kiosk and indoor visitor services area, with ticketing for popular area attractions including Red & White Fleet (square footage included in another category).
Retail:	7,100 sq. ft., in 3 areas, including a Bay Center Store, a corporate sponsor store, and an environmental-oriented general retail store (See miscellaneous below).	15,180 sq. ft. of specified retail stores (with retail space not to exceed 16,000 square feet), including San Francisco Marketplace with stores distinctive to San Francisco and ticketed Themed Adventures with merchandise components.
Restaurant:	4,000 square foot "culinary academy" cooking school/restaurant with demonstration kitchen focusing on seafood preparation, and 2 snack bars totaling 1,000 sq. ft.	Restaurant uses not to exceed 5,000 square feet, including a casual dining restaurant, and a wine tasting room.
U.S.S. Pampanito:	2,000 sq. ft. of support space.	2,000 sq. ft. of support space.
Miscellaneous Interior Space:	17,000 sq. ft., including 9,000 of "Flexible Use Space" for additional education-oriented uses, conference space, U.S.S. Pampanito, or retail (total restaurants and retail not to exceed 21,000 sq. ft.).	

APPENCIX C
Financial Proposals

	The Bay Center	*San Francisco at the Wharf*
Initial Base Rent:	$360,000 per year.	$750,000 per year (increased since initial proposal submitted).
Percentage Rent:	3% of gross receipts (increasing to 4% in year 6), plus $8 per sq. ft. Additional Rent annually for independent retail tenants and corporate sponsors. Excludes certain revenues, such as grants, sponsorships, memberships. Base Rent offset against Percentage Rent.	8.5% of retail gross receipts 6.5% of food & beverage gross receipts 2.5% of attraction gross receipts Base Rent offset against Percentage Rent.
Periodic adjustments:	CPI adjustments to Base Rent (and to Additional Rent) every 5 years, not to exceed 20% each 5-year period.	Annual CPI adjustments to Base Rent, not to exceed 4% per year. Percentage Rent adjustments to be negotiated.
Rent Credits:	None.	Tenant to receive following rent credits against percentage rents in excess of Base Rent: 100% of development costs related to external public areas (up to 7-year amortization); and 50% of remaining development costs (up to 20-year amortization).
Lease term:	50 years.	Potential 50 years, with initial term of 10 years and eight 5-year options.
Port proceeds from sale/ refinancing:	50% of sale proceeds after payment of certain expenses, including fees, loans, and grants. Applies only to sale to a for-profit entity.	To be negotiated
Port proceeds from Historic Tax Credit:	None indicated	To be negotiated
Development Costs:	$36.2 million	$30.7 million
Funding:	Fundraising, including from State and federal government, individuals, foundations, and corporate sponsorships, and possible $10 Million tax-exempt bond.	100% equity from The Malrite Company, or alternatively, 45% equity and 55% debt financing.
Completion Guarantee:	Provided by development entity	Provided by development entity

APPENDIX D
Operational Projections

	Bay Center		*San Francisco at the Wharf*	
Ticketed Attendance Estimates		% of Total		% of Total
Bay Area Residents	164,000	38%	214,000	32%
Tourists	196,000	46%	461,000	68%
School Children	69,000	16%		
Total	429,000	100%	675,000	100%
Average Ticket Price	$5.09		$10.72	
Ticket Price Range	$2 (Schools) - $8 (Adults)		$11.95 (Adults)	
Total Operating Revenues – Year 2	$7.9 Million		$19.7 Million	
Source of Operating Revenues	Ticketed admissions	35%	Ticketed admissions	46%
	Entertainment & special events	24%	Food & beverage	25%
	Sponsors	17%	Merchandise	25%
	Retail leases	9%	Miscellaneous	4%
	Merchandise	5%		
	Food & beverage	3%		
	Miscellaneous	7%		

Appendix E: Projected Revenue to the Port: Bay Center, Pier 45 (a)

	GROSS RENT		TOTAL RENT TO PORT
	Base Rent	Percentage Rent (b)	
10 -Year Total	$3,886,693	$695,737	$4,582,430
NPV @ 10%	$2,347,007	$355,654	$2,702,661
50-Year: Total	$38,242,450	$10,129,909	$48,372,359
NPV @ 10%	$4,688,809	$987,385	$5,676,193
Year 1	$360,000	$24,580	$384,580
Year 2	$360,000	$14,154	$374,154
Year 3	$360,000	$20,939	$380,939
Year 4	$360,000	$27,927	$387,927
Year 5	$360,000	$35,125	$395,125
Year 6	$417,339	$93,619	$510,958
Year 7	$417,339	$103,801	$521,139
Year 8	$417,339	$114,288	$531,626
Year 9	$417,339	$125,089	$542,428
Year 10	$417,339	$136,215	$553,553
Year 11	$483,810	$108,530	$592,340
Year 12	$483,810	$120,333	$604,143
Year 13	$483,810	$132,491	$616,300
Year 14	$483,810	$145,013	$628,822
Year 15	$483,810	$157,910	$641,720
Year 16	$560,868	$125,816	$686,684
Year 17	$560,868	$139,499	$700,367
Year 18	$560,868	$153,593	$714,461
Year 19	$560,868	$168,109	$728,978
Year 20	$560,868	$183,061	$743,930
Year 21	$650,200	$145,855	$796,055
Year 22	$650,200	$161,718	$811,918
Year 23	$650,200	$178,056	$828,256
Year 24	$650,200	$194,885	$845,085
Year 25	$650,200	$212,218	$862,418
Year 26	$753,760	$169,086	$922,846
Year 27	$753,760	$187,475	$941,235
Year 28	$753,760	$206,416	$960,176
Year 29	$753,760	$225,925	$979,685
Year 30	$753,760	$246,019	$999,779
Year 31	$873,814	$196,017	$1,069,832
Year 32	$873,814	$217,335	$1,091,150
Year 33	$873,814	$239,293	$1,113,107
Year 34	$873,814	$261,909	$1,135,723
Year 35	$873,814	$285,204	$1,159,018
Year 36	$1,012,990	$227,238	$1,240,228
Year 37	$1,012,990	$251,951	$1,264,942
Year 38	$1,012,990	$277,406	$1,290,396
Year 39	$1,012,990	$303,624	$1,316,615
Year 40	$1,012,990	$330,629	$1,343,620
Year 41	$1,174,334	$263,431	$1,437,765
Year 42	$1,174,334	$292,080	$1,466,414
Year 43	$1,174,334	$321,589	$1,495,923
Year 44	$1,174,334	$351,984	$1,526,317
Year 45	$1,174,334	$383,290	$1,557,623
Year 46	$1,361,375	$305,389	$1,666,763
Year 47	$1,361,375	$338,601	$1,699,976
Year 48	$1,361,375	$372,810	$1,734,185
Year 49	$1,361,375	$408,045	$1,769,420
Year 50	$1,361,375	$444,338	$1,805,712

Notes:

(a) This exhibit is based upon the Bay Center proposal wherein estimates of revenues and percentage rent stabilize in year 2. The Port has applied an inflation adjustment of 3% annually thereafter. The Port has applied the same annual 3% inflation assumption to the base rent adjustment every five years.

(b) Percentage rent represents participation in projected gross income above base rent.

Appendix F: Projected Revenue to the Port: San Francisco at the Wharf Pier 45 (a)

		GROSS RENT		Less: RENT CREDITS (c)		TOTAL RENT TO PORT	
		Base Rent	Percentage Rent (b)	Exterior	Interior		
10-Year:	Total	$8,285,909	$4,252,556	$2,699,729	$1,552,827	$8,285,909	
	NPV @ 10%	$4,879,171	$2,444,722	$1,785,414	$659,308	$4,879,171	
50-Year:	Total	$84,285,650	$45,645,699	$2,699,729	$13,499,319	$113,732,302	
	NPV @ 10%	$10,030,529	$5,250,401	$1,785,414	$2,694,172	$10,801,345	
	Year 1	$438,000	$163,764	$163,764	$0	$438,000	
	Year 2	$772,500	$326,200	$326,200	$0	$772,500	
	Year 3	$795,675	$368,676	$368,676	$0	$795,675	
	Year 4	$819,545	$420,032	$420,032	$0	$819,545	
	Year 5	$844,132	$459,755	$459,755	$0	$844,132	
	Year 6	$869,456	$473,548	$473,548	$0	$869,456	
	Year 7	$895,539	$487,754	$487,754	$0	$895,539	
	Year 8	$922,405	$502,387	$0	$502,387	$922,405	
	Year 9	$950,078	$517,458	$0	$517,458	$950,078	
	Year 10	$978,580	$532,982	$0	$532,982	$978,580	
	Year 11	$1,007,937	$548,972	$0	$548,972	$1,007,937	1st Option (d)
	Year 12	$1,038,175	$565,441	$0	$565,441	$1,038,175	
	Year 13	$1,069,321	$582,404	$0	$582,404	$1,069,321	
	Year 14	$1,101,400	$599,876	$0	$599,876	$1,101,400	
	Year 15	$1,134,442	$617,872	$0	$617,872	$1,134,442	
	Year 16	$1,168,476	$636,408	$0	$636,408	$1,168,476	Option
	Year 17	$1,203,530	$655,501	$0	$655,501	$1,203,530	
	Year 18	$1,239,636	$675,166	$0	$675,166	$1,239,636	
	Year 19	$1,276,825	$695,421	$0	$695,421	$1,276,825	
	Year 20	$1,315,130	$716,283	$0	$716,283	$1,315,130	
	Year 21	$1,354,583	$737,772	$0	$737,772	$1,354,583	Option
	Year 22	$1,395,221	$759,905	$0	$759,905	$1,395,221	
	Year 23	$1,437,078	$782,702	$0	$782,702	$1,437,078	
	Year 24	$1,480,190	$806,183	$0	$806,183	$1,480,190	
	Year 25	$1,524,596	$830,369	$0	$830,369	$1,524,596	
	Year 26	$1,570,333	$855,280	$0	$855,280	$1,570,333	Option
	Year 27	$1,617,443	$880,938	$0	$880,938	$1,617,443	
	Year 28	$1,665,967	$907,366	$0	$0	$2,573,333	
	Year 29	$1,715,946	$934,587	$0	$0	$2,650,533	
	Year 30	$1,767,424	$962,625	$0	$0	$2,730,049	
	Year 31	$1,820,447	$991,504	$0	$0	$2,811,950	Option
	Year 32	$1,875,060	$1,021,249	$0	$0	$2,896,309	
	Year 33	$1,931,312	$1,051,886	$0	$0	$2,983,198	
	Year 34	$1,989,251	$1,083,443	$0	$0	$3,072,694	
	Year 35	$2,048,929	$1,115,946	$0	$0	$3,164,875	
	Year 36	$2,110,397	$1,149,424	$0	$0	$3,259,821	Option
	Year 37	$2,173,709	$1,183,907	$0	$0	$3,357,616	
	Year 38	$2,238,920	$1,219,424	$0	$0	$3,458,344	
	Year 39	$2,306,088	$1,256,007	$0	$0	$3,562,095	
	Year 40	$2,375,270	$1,293,687	$0	$0	$3,668,958	
	Year 41	$2,446,528	$1,332,498	$0	$0	$3,779,026	Option
	Year 42	$2,519,924	$1,372,473	$0	$0	$3,892,397	
	Year 43	$2,595,522	$1,413,647	$0	$0	$4,009,169	
	Year 44	$2,673,388	$1,456,056	$0	$0	$4,129,444	
	Year 45	$2,753,589	$1,499,738	$0	$0	$4,253,327	
	Year 46	$2,836,197	$1,544,730	$0	$0	$4,380,927	Option
	Year 47	$2,921,283	$1,591,072	$0	$0	$4,512,355	
	Year 48	$3,008,921	$1,638,804	$0	$0	$4,647,726	
	Year 49	$3,099,189	$1,687,969	$0	$0	$4,787,157	
	Year 50	$3,192,165	$1,738,608	$0	$0	$4,930,772	

Notes:

(a) This exhibit is based upon SF at the Wharf's proposal wherein estimates of revenues and percentage rent grow greater than inflation and stabilize in year 5 . The Port has applied an inflation adjustment of 3% annually thereafter. The Port has applied the same annual 3% inflation assumption to the base rent adjustment every year.

(b) Percentage rent represents participation in projected gross income above base rent.

(c) The developer has requested rent credits over the first 7 years to recover 100% of exterior improvement costs and over years 8 to 27 to recover 50% of interior improvement costs.

(d) The developer proposal is structured as a 10-year lease with eight 5-year options.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 8, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Michael Hardeman
Hon. Pius Lee
Hon. Denise McCarthy

FROM: Douglas F. Wong
Executive Director

SUBJECT: Extension of Exclusive Negotiations for Mixed Use Development at Pier 24½

DIRECTOR'S RECOMMENDATION: APPROVE EXTENSION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH METROPOLIS PARTNERS, INC/POLATNICK PROPERTIES

BACKGROUND

Pier 24 Annex is located adjacent to and just north of Pier 26 and contains approximately 26,000 square feet of enclosed space. The Site fronts on The Embarcadero and has sweeping views of the Bay, the Bay Bridge, the Ferry Building, Treasure Island, the East Bay and The Embarcadero. The building is vacant and has not been occupied for several years.

In October 1998, the Port issued a Request for Proposals ("RFP") for the development and operation of a mixed-use development (the "Development") at Pier 24 Annex (the "Site"). In this RFP, the Port solicited proposals from qualified respondents ("Respondents") that would be consistent with the Port's *Waterfront Land Use Plan* which lists the following uses or a combination thereof as acceptable for the Site: Assembly and entertainment, museum, retail (including restaurant), water taxi and public access and open space.

On April 13, 1999 by Resolution No. 99-24, the Port Commission authorized Exclusive Negotiations with Metropolis Partners Inc. and Polatnick Properties ("Metropolis") and a negotiating fee of $25,000 was paid to the Port. On January 19, 2000 the Executive Director extended the exclusive negotiation period for six months or until June 14, 2000 and a negotiating fee of $5,000 was paid to the Port.

During this time period, Metropolis has conducted its due diligence review of the site in conjunction with preparing preliminary development plans for the site. Evaluation of the site development costs, including construction cost estimates has included:

- Substructure engineering including new piling requirements (GKO & Associates)
- Assessment of design requirements and estimated cost for mechanical, electrical and structural work (DBD Structures, Anderson Rowe & Buckley, Lera Electrical)
- Conceptual design analysis (Kwan Hemni)
- Assessment of historic building and/or district issues (Architectural Resources Group)
- Discussions with Port regarding electrical engineering requirements
- Assessment of parking availability
- Discussion of regarding regulatory issues including bay fill and public access with San Francisco Bay Conservation and Development Commission (BCDC) staff

Also during this period, Metropolis has been marketing the project to potential subtenants that would be consistent with the land use objectives and limitations set forth in the *Waterfront Land Use Plan.* Potential users have been identified and negotiations are underway.

STAFF RECOMMENDATION

The ongoing due diligence and marketing efforts by Metropolis have taken more time than originally anticipated, however both parties are prepared to begin discussing lease terms at this time. Staff recommends that the Port Commission authorize Staff to utilize the information made available by Metropolis regarding project costs and revenue potential for the site to begin lease negotiations in earnest. A 6-month extension of the Exclusive Negotiation agreement is recommended for a fee of $5,000.

Prepared by: Paul Osmundson
Director of Planning and Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-47

WHEREAS, Charter, Section B3.581grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Port owns certain properties known as "Pier 24 ½ or Pier 24 Annex"; and

WHEREAS, in October 1998, the Port issued a Request for Proposals for Pier 24 Annex; and

WHEREAS, a development team consisting of Metropolis Partners, Inc. and Polatnick Properties submitted a response to the RFP on February 1, 1999 which complied with the submittal requirements stated in the RFP and which was reviewed and evaluated by Port Staff; and

WHEREAS, based on this review, Port Staff recommended that the Port Commission enter into exclusive negotiations with Metropolis Partners, Inc. and Polatnick Properties; and

WHEREAS, The Port Commission reviewed the Port staff recommendation set forth in the Memorandum to Port Commissioners dated April 8, 1999, for Agenda Item 8A, and determined that Metropolis Partners, Inc. and Polatnick Properties met the qualification requirements for development of Pier 24 Annex; and

WHEREAS, based on this review, the Port Commission authorized exclusive negotiations with Metropolis Partners, Inc. and Polatnick Properties on April 13, 1999; and

WHEREAS, the Port Executive Director extended the exclusive negotiation period for six months, or until June 14, 2000; and

WHEREAS, Metropolis Partners, Inc. and Polatnick Properties have undertaken their due diligence review of the site and have developed preliminary development plans for the site in accordance with the Exclusive Right to Negotiate agreement; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to extend the Exclusive Right to Negotiate agreement period for six months, or until December 14, 2000, a copy of which is on file with the Port Commission Secretary, and with the understanding that the final terms and conditions of the Lease and related documents negotiated between Metropolis Partners, Inc. and Port staff during the Exclusive Negotiation Period will be subject to the approval of the Port Commission; and be it further

RESOLVED, that the Port will not enter into a final lease for the project which would allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 13, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 6, 2000

TO: MEMBERS, PORT COMMISSION

Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

BACKGROUND

On June 24, 1997, the Port Commission adopted the Port of San Francisco Waterfront Land Use Plan ("Waterfront Plan"), thereby lifting the seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for the future use of Port property. This accomplishment, along with the current real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in revitalization of Port property. The Port's Planning & Development Division has been working on many projects to implement the Waterfront Plan. The purpose of this report is to provide you with an update of these projects.

THIS PRINT COVERS CALENDAR ITEM NO. 8C

Major Planning Projects

BCDC Plan Amendments

The Port Planning Staff has been working closely with staff of the San Francisco Bay Conservation and Development Commission (BCDC) and Save San Francisco Bay Association (Save the Bay) to jointly develop plan amendments to establish consistent policies in BCDC planning documents and the Port's Waterfront Plan.

The objectives of this effort are to provide more flexibility to the Port to carry out projects consistent with the Waterfront Plan between Pier 35 and China Basin, and to define locations and funding to create major public plazas and public access, and removal of selected piers to address key BCDC public access and fill removal objectives under the McAteer-Petris Act. On May 16, 2000, BCDC released draft amendments to BCDC's plans for public review and comment. On June 5, 2000, additional draft amendments were published containing clarifications and further refinements. The BCDC and Port Commissions will hold a joint public hearing on June 15, 2000 to receive public comments, with BCDC action on the plan amendments planned for July 20, 2000.

The approach to developing the plan amendments is based on a comprehensive study to identify desirable locations for new public plazas, and piers to be removed to meet bay fill removal objectives. The draft amendments also allow the Port to repair, seismically improve and develop uses on its piers consistent with the Public Trust Doctrine; and to increase certainty in the BCDC permitting through clarified policies and procedures. The plan amendments also provide for a $30 million implementation program to construct the public plazas and remove the piers identified in the plan, funded by the Port and/or outside sources over 20 years. To establish consistency between the Port and BCDC's amended plans, the Port Commission will amend the Waterfront Land Use Plan to reflect the new policies developed and approved by BCDC through this joint BCDC/ Port/ Save the Bay planning process.

To receive a copy of the draft BCDC plan amendments, contact BCDC at (415) 352-3600 or by contact their Website at http://ceres.ca.gov/bcdc/

Historic Preservation Planning

The Port's Waterfront Plan includes historic preservation policies. Pursuant to these policies, certain historic resources, such as the Ferry Building and Agriculture Building, will be preserved and rehabilitated consistent with the Secretary of Interior standards for historic preservation. Other resources, such as pier bulkhead buildings and pier sheds (e.g. .Pier 45 Shed A, Pier 1, and Piers 29 – 31), will be retained, and still others require further preservation review and analysis before determining which additional resources should be retained and to what extent they can be rehabilitated.

In January and February of this year, the Port worked with historic preservation consultants and experts to gather and review the numerous surveys that have been completed for waterfront historic resources. This led to the Commission's approval of Resolution 00-16 on February 22, 2000, directing Port staff to prepare the materials necessary to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places. The completion of this work was coordinated with the BCDC/Port/Save the Bay joint planning process to produce the BCDC plan amendments described above.

The preservation and adaptive reuse of some of these historic resources, such as Pier 1 and the Ferry Building, already have moved ahead of the National Register district nomination. On January 5, 1999 the Secretary of the Interior placed Pier 1 on the National Register of Historic Places, joining the Ferry Building, which already is listed. This and other preservation efforts will be pursued by the Port as part of the approval process for individual projects, and may occur in advance of adoption of a larger National Register historic district areas.

Southern Waterfront Planning

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood. The proposed leases and projects in the Southern Waterfront, including an Illinois Street rail bridge between the Port's North and South cargo terminals, will be evaluated in a supplemental EIR to the Waterfront Plan EIR. To address these and other issues, the Port has established a Southern Waterfront Advisory Committee (SWAC) to solicit input regarding lease proposals for Port property, including environmental mitigation and monitoring requirements. The SWAC meets approximately once a month.

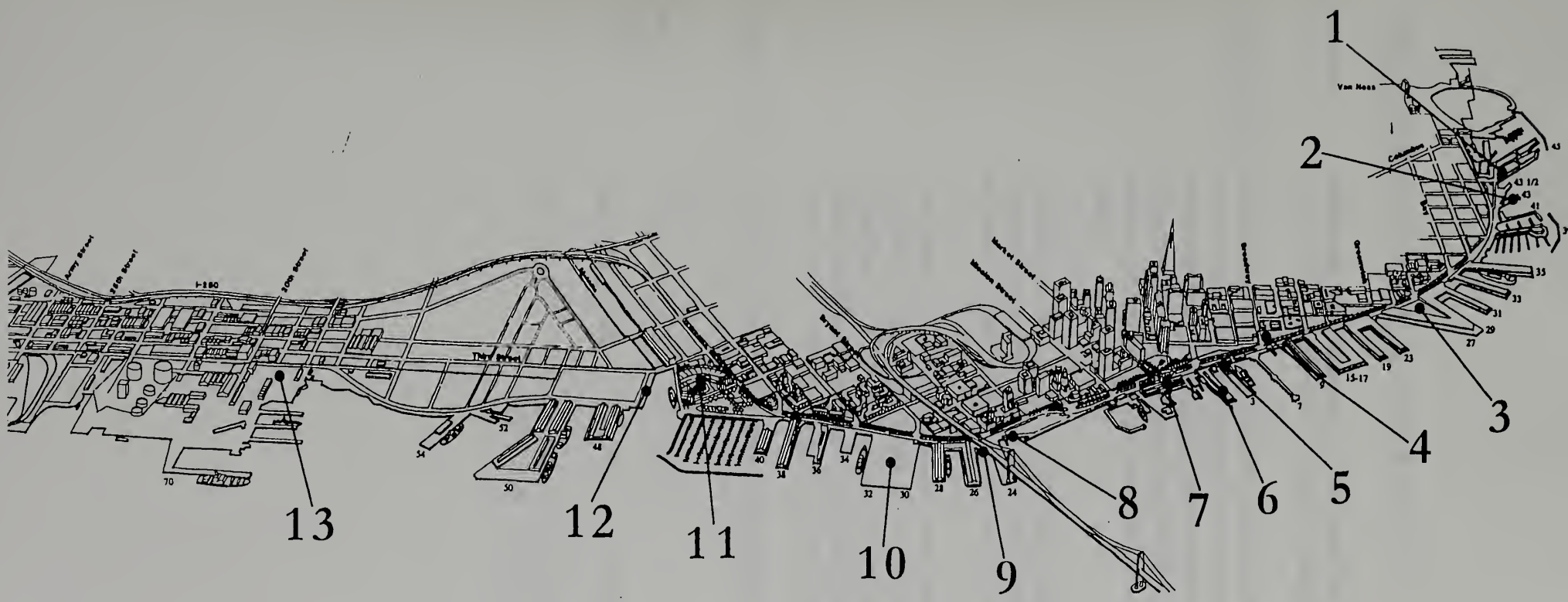
In addition to evaluating current lease proposals, the Port will conduct further planning to develop a development program for the Pier 90-94 backlands, a currently undeveloped area, which will require infrastructure and other capital improvements. The Port anticipates that this work will require some consultant assistance, coordination with other City agencies (e.g. the Planning Department and Redevelopment Agency), and ongoing discussions with the SWAC and the broader community.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. This information is meant to provide you with a brief status report on the Division's activities. Planning & Development's lead staff member for each project is indicated in **bold**. The Project Location map on page 5 indicates the specific location of each project referenced in this summary.

Prepared by: Paul Osmundson, Director of Planning & Development

Location of Major Development Projects, Port of San Francisco



1. Pier 45, Shed A
2. Pier 43 Ferry Terminal
3. Piers 27 - 31
4. Broadway Hotel Project
5. Piers 1 1/2 - 5
6. Pier 1
7. Ferry Building
8. Rincon Park Restaurant
9. Pier 24 Annex
10. Bryant St. Pier (30/32 & SWL 330)
11. Pacific Bell Ballpark
12. China Basin Shoreline
13. Pier 70

Prepared by the Port of San Francisco,

1. PIER 45 PUBLIC ATTRACTION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Curtis Watts, Development Project Coordinator

PROJECT DESCRIPTION

Development and operation of a public attraction at Pier Shed A that creates uses which have a quality educational/learning/ interpretive focus; are strong enough to significantly enhance the image of Fisherman's Wharf; and support the long-term future of the fishing industry. The public attraction will incorporate San Francisco Bay and maritime oriented themes.

STATUS

On June 29, 1999, the Port Commission approved the development concept for this RFP and authorized issuance of an RFP for a new public attraction at Pier 45 Shed A, and the RFP was issued August 25, 1999.

On January 25, 2000, submittals were received from the following two respondents: The Bay Center Coalition (with the San Francisco Foundation Community Initiative Funds, as fiscal sponsor) for The Bay Center; and San Francisco at the Wharf, LLC (The Malrite Company, LP, as sole 100% owner) for San Francisco at the Wharf.

PROJECT APPROVALS

The project will require permits and approvals from the Port Commission, BCDC, and the Board of Supervisors.

SCHEDULE MILESTONES

August 25, 1999	RFP issued
January 25, 2000	Deadline for submitting responses to RFP
June 13, 2000	Port Commission action on selecting a respondent for exclusive negotiations

2. PIER 43 PUBLIC FERRY TERMINAL

PROJECT STAFF

Dan Hodapp, Planner
Diane Oshima, Manager, Waterfront Planning
Denise Turner, Wharfinger

PROJECT DESCRIPTION

A ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS

The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The project received federal and state environmental clearance, as well as right of way clearance, in August 1997. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and working with Port staff has developed a preliminary design for the terminal.

APPROVALS

The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and Regional Water Quality Control Board.

PRIMARY CONSULTANT

Moffatt and Nichol Engineers

SCHEDULE MILESTONES

June 1998	Cooperative Agreement Finalized
November 1998	Vallejo issued RFP for design consultant
February 2000	30% Design completed
June 2000	Apply for BCDC and other permits
May 2001	Begin construction

3. PIERS 27 – 31 MIXED USE RECREATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Curtis Watts, Development Project Coordinator
Diane Oshima, Manager, Waterfront Planning
Alec Bash, Waterfront Planner—Special Projects

PROJECT DESCRIPTION

Development and operation of a Mixed Use Recreation Project on Piers 27 – 31. This project is intended to create a local and regional destination serving a wide range of recreational interests, including both active and passive recreational activities. In addition to other ancillary uses, the recreation project will provide for free movement through and around Pier 27 – 31. An open space network, including the Northeast Wharf Plaza at the front of Pier 27, will provide expansive views of San Francisco Bay as well as views of recreational activities.

STATUS

In August, 1999, the Northeast Waterfront Advisory Group - after an advisory group process - reached a consensus on the mission statement and development concept to be included in an RFP for a Mixed Use Recreation Project on Piers 27 – 31. On September 21, 1999, the Port Commission approved the mission statement and development concept recommended by the advisory group, and authorized issuance of the RFP. The RFP was issued on November 21, 1999, with a deadline for submitting proposals of March 13, 2000. However, on December 8, 1999, the RFP was suspended pending the public review of proposed amendments to current BCDC plans, including parameters for the Northeast Wharf Plaza..

As discussed in the introduction, a joint San Francisco Waterfront Committee made up of BCDC and Port Commissioners conducted a planning process to resolve conflicts between the policies and plans of the two agencies. Based upon the progress made in this planning process, the Northeast Waterfront Advisory Group is reviewing required modifications to the development concept included in the Piers 27-31 RFP. Following approval of modifications to the RFP by the Port Commission, the Port anticipates resuming this RFP in July 2000. An addendum to the RFP will be issued setting a new deadline for submittals and indicating any changes in the RFP terms.

PROJECT APPROVALS

The project will require the following reviews/approvals: Port Commission award of exclusive negotiation, CEQA, Waterfront Design Advisory Committee, BCDC, Army Corps of Engineers, RWQCB, and the Board of Supervisors.

SCHEDULE	September 21, 1999	Mission statement & development concept approved by the Port Commission; and Port staff authorized to issue the RFP
	November 12, 1999	RFP issued
	December 8, 1999	RFP suspended due to proposed amendments to BCDC Plans
	July 2000	Resume RFP

4. BROADWAY HOTEL PROJECT

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator

PROJECT DESCRIPTION Development of an Embassy Suites Hotel consisting of approximately 400 suites, restaurants, meeting space and parking, located at Broadway and The Embarcadero.

STATUS Negotiations are on-going with the selected developer, Stanford Hospitality, Inc. Schematic plans are being finalized; initial review by the *Waterfront Design Advisory Committee* scheduled for August.

APPROVALS The project will require CEQA review, design review by the *Waterfront Design Advisory Committee,* a conditional use authorization from the Planning Department and possibly a Certificate of Appropriateness from the Landmarks Preservation Board. Approvals also will be required from the Port Commission and the Board of Supervisors.

PRIMARY CONSULTANTS Blunk DeMattei Associates, Architects (architecture); Patri Merker Architects (regulatory approval); EIP Associates (environmental review)

SCHEDULE MILESTONES

May 8, 2000 1st Option period of Exclusive Right to Negotiate exercised

July, 2001 Certification of EIR

March, 2002 Commence Construction

September 2003 Open for Business

5. PIER 1 ½ - 5 MIXED USE PRESERVATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Alec Bash, Waterfront Planner—Special Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager

PROJECT DESCRIPTION

Development of a Mixed Use Preservation Project involving the Pier 1 ½, 3 and 5 bulkhead buildings, Pier 1 ½, and a portion of Pier 3. The goals of this development are to create an inviting mixed use project that attracts the public to the Bay and enhances their waterfront experience, and to preserve and rehabilitate these historic bulkhead buildings.

STATUS

Based upon a recent engineering survey of the substructure under the Piers 1 ½ - 5 bulkhead buildings, the Port's Engineering Group determined that the future use and improvement of these bulkhead buildings after 2000 will be difficult unless substructural repairs are made to the marginal wharf. The cost of these repairs is estimated at approximately $7.3 Million. The Port has contracted for and will fund the repairs to the first bay of the substructure next to the seawall at a cost of approximately $1 Million. Funding and undertaking the remaining repairs requires a partnership between the Port and a private developer.

In December 1999, the Ferry Building Waterfront Advisory Group – after an advisory group process – recommended a development concept to be included in an RFP for this site. The Port Commission adopted this recommendation at its January 25, 2000 meeting, and authorized issuance of an RFP. The RFP was issued on March 10, 2000.

During the pre-submittal conference and tour on March 30, 2000, issues were identified concerning the seismic work required as a part of this project and the coordination of the site with the adjacent leasehold of Hornblower Yachts, Inc. The submittal deadline was therefore extended until August 31, 2000, while the Port conducted additional research on these issues. During June 2000, the Port anticipates issuing an addendum to the RFP, which provides more information regarding these issues, and changes some of the terms of the RFP.

APPROVALS

The project requires approval from the Port Commission, the Board of Supervisors, the US Army Corps of Engineers, BCDC, RWQCB and the Waterfront Design Advisory Committee. The project will also be subject to CEQA review.

SCHEDULE

January 25, 2000	Port Commission approved development concept for the site and authorized issuance of RFP.

March 10, 2000	RFP issued
August 31, 2000	Deadline for submitting responses to RFP

6. PIER 1 MARITIME OFFICE BUILDING

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Mary Ilyin, Project Manager for Relocation of Port Offices
John Zoranovich, Construction Administrator

PROJECT DESCRIPTION

Pier 1 is being converted from a parking garage to a 150,000 square feet of Class-A office space. It will be the future home for the Port's administrative offices and the headquarters for the developer, AMB Property Corporation. It will also house other office tenants and include a newly renovated Pier One Deli. New and increased public access will extend around the pier perimeter, and the shed's historic features will be preserved. The Port's conference rooms will be made available to the public after hours for meetings and events.

STATUS

Construction is proceeding on schedule; core and shell improvements are nearly complete with installation of elevators, major utilities, mechanical rooms and the radiant floor heating system. AMB and two subtenants are finalizing construction documents for their improvements.

Construction of the Port's tenant improvements has commenced, with completion scheduled for mid-December 2000. A move coordinator has been retained; furniture plans are being finalized; RFP will be issued soon for purchase of furniture. A Port focus team is working on preparation of exhibits to be installed on the historic rail track corridor wall.

APPROVALS

All necessary regulatory approvals have been obtained.

PRIMARY CONSULTANTS

Simon Martin-Vegue Winkelstein Moris (P1 architects); Tom & Aguila (Port architects)
Nibbi Brothers (general contractor)

SCHEDULE MILESTONES

August 2, 1999	Lease conveyed
August 5, 1999	Construction commenced
December 2000	Construction completed

7. FERRY BUILDING REHABILITATION PROJECT

PROJECT STAFF
Alec Bash, Waterfront Planner—Special Projects
Mary Hanni, Project Manager

PROJECT DESCRIPTION
Redevelopment of this National Register and City Landmark building with ground floor retail, transportation and public uses and complementary upper floor office and other commercial uses. The Port's goals are for a signature project, which achieves a high level of public use and support, strengthens the Port's long-term financial position, and enhances the Port's ability to undertake other projects.

STATUS
A developer Request for Qualifications and Proposals was issued in May 1998. The Commission in August 1999 approved a Lease Disposition and Development Agreement and Ground Lease with Ferry Building Investors LLC, an entity managed by Wilson Cornerstone. The Waterfront Design Advisory Committee approved Design Recommendations for the project in October 1999, after which the Port Commission approved the Schematic Design in November 1999. Environmental review is complete. A Historic Preservation Certification Application for tax credits is under review.

APPROVALS
The project requires San Francisco Board of Supervisors approval of the Ground Lease, Planning Department approval of a parking exemption, a San Francisco Conservation and Development Commission permit, and an Army Corps of Engineers Letter of Permission

PRIMARY CONSULTANTS
SMWM (architect), Page & Turnbull (preservation architect),
Baldauf Cotton Von Eckartsberg (retail architect)
The Jefferson Company (development manager)

SCHEDULE MILESTONES

December 14, 1999	Board of Supervisors approved Ground Lease
January 2001	Convey lease and commence construction
June 2002	Complete construction

8. RINCON PARK RESTAURANT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The 20,000 square foot site is located at the south end of the approximately 3-acre Rincon Park which will stretch along The Embarcadero between Howard and Harrison Streets. Through an agreement between the GAP (which is building a headquarters office building at Folsom and Steuart Streets) and the Redevelopment Agency, the Park will be designed, constructed and maintained. The restaurant site is within the Rincon Point/South Beach Redevelopment Plan project area, and was the subject of a 1995 Agreement to Lease between the Port and the Redevelopment Agency.

STATUS

The Port Commission authorized Staff to issue an RFP for the project on March 10, 1998 (Resolution No. 98-27) and the RFP was issued on July 23, 1998. Two proposals were received. In March 1999, the Port Commission approved an Exclusive Right to Negotiate with Nice Ventures Inc. for development of the restaurant. The draft Disposition and Development Agreement and the Lease are currently being negotiated with Nice Ventures Inc. Restaurant construction will be coordinated with the construction of Rincon Park.

APPROVALS

In addition to various Port Commission approvals, the Port expects to invite and receive comments on the design of the project from the Redevelopment Agency, the Rincon-Park South Beach CAC and the Planning Department. The Project will require a permit from BCDC.

SCHEDULE MILESTONES

March 1999	Port Commission authorized exclusive negotiations with Nice Ventures Inc.
June 2000	Approve Development Agreement and Lease and Schematic Design
October 2000	Start construction of Rincon Park, completed by May 2001
August 2001	Start construction Rincon Park Restaurant Site, completed by June 2002

9. PIER 24 ANNEX MIXED USE DEVELOPMENT PROJECT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The Port has solicited proposals from qualified developer/operators to finance, design, construct, maintain and operate a mixed use development (the "Development") consistent with the Waterfront Plan. The Waterfront Plan lists the following uses, or a combination thereof, as acceptable for the site: Assembly and entertainment, museum, retail (including restaurant) water taxi, public access and open space.

The building is approximately 24,000 square feet. The site could be used for one or more distinct operations under a lease with a single developer.

STATUS

On April 13, 1999, The Port entered into exclusive negotiations with Metropolis Partners/Polatnick Properties based on the bid submitted in February 1999. On January 19, 2000, the exclusive negotiations were extended to June 14, 2000. The developer has conducted its due diligence review of the site in conjunction with preparing preliminary design alternatives. This information will inform the negotiation of a Lease and Development Agreement for the project. A six-month extension of the negotiation period will be requested to December 2000.

PROJECT APPROVALS

The Development will require review by the Waterfront Design Advisory Committee, Environmental Review, BCDC Permit, and Port Commission and Board of Supervisors approval of the Lease.

PRIMARY CONSULTANTS

Structus Engineering performed a substructure inspection. Metropolis is working a number of design and engineering consultants including Kwan Henmi, DBD Structures, and GKO & Associates.

SCHEDULE MILESTONES

Sept 1999 – July 2000	Consider Alternative Designs and Use Programs
June 13, 2000	Consider extension of negotiation period to December 2000
June-Nov 2000	Negotiate Lease & Development Agreement
December 2000	Approve Lease & Development Agreement

10. BRYANT STREET PIER OPPORTUNITY AREA (PIER 30-32/SWL 330)

PROJECT STAFF

Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering
Mike Nerney, Maritime
Phil Williamson, Real Estate

PROJECT DESCRIPTION

In June 1999, the Port issued a Request for Qualifications and Proposals (RFQ/P) to design and develop the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. Port staff worked closely with an Advisory Group made up of industry experts and community representatives in drafting the project goals and objectives included in the RFQ/P.

The Project, located on the Port's largest and most attractive development site, will serve as the focal point for maritime, commercial and public activity between the new Pacific Bell Ballpark and downtown. Acceptable uses for the mixed-use component include, but are not limited to, retail, maritime office, entertainment, hotel, public access and open space.

STATUS

The Port received four submittals on July 26, 1999 in response to the RFQ/P. In August, the Port invited three of the four teams, including Forest City Development, San Francisco Cruise Terminal LLC ("SFCT") and LCOR San Francisco Cruise Terminal LLC ("LCOR"), to submit detailed proposals for the Project. On October 28, the Port received two proposals from SFCT and LCOR. Port staff and independent consultant Economic & Planning Systems evaluated both proposals based on criteria outlined in the RFQ/P. Port staff issued a report on January 7, 2000 recommending that the Port enter into exclusive negotiations with SFCT. The Port Commission received the staff's recommendation in its meeting on January 11, and following extensive public comment, voted 4 –1 to enter into exclusive negotiations with SFCT.

APPROVALS

This Project will require permits and approvals from the Port Commission, BCDC, the Planning Department, and the Army Corps of Engineers, among other agencies.

PRIMARY CONSULTANTS

To be selected

SCHEDULE MILESTONES

July 1999	Four teams respond to RFQ/P
August 1999	Port "short lists" three developers for proposal phase
October 1999	Two proposals submitted
January 2000	Developer Selection and Staff Recommendation made to Port Commission
January 2000	Exclusive Negotiations period begins

12. China Basin Shoreline Park Design

Project Staff	**Dan Hodapp, Planner**. Diane Oshima, Manager, Waterfront Planning
Project Description	As part of the construction of the Pacific Bell Ballpark the China Basin Ballpark Company (CBBC) will be improving as a public park an area east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. The park improvements will follow the Port's China Basin Shoreline Stabilization project in this area. Port staff is currently working with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations.
Status	The concept design was recently completed. Construction is expected to begin in the fall of 2000.
Project Approvals	Environmental Review was certified and a BCDC permit was approved as part of the ballpark. BCDC and the Port's design review consultants will review the final design.
Primary Consultants	Pat O'Brien, Landscape Architects

Schedule Milestones

January 2000	Concept Design Completed
October 2000	Begin construction
April 2001	Construction Completed

13. PIER 70 OPPORTUNITY AREA

PROJECT STAFF

Rich Hillis, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Marshall Foster, Planning & Design Intern

PROJECT DESCRIPTION

The Waterfront Land Use Plan identifies an approximately 16-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works buildings are included within this opportunity area. The Waterfront Plan allows non-maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, provided they are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. New construction will be permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Plan criteria, including the preservation and adaptive reuse of three Union Iron Works buildings at Pier 70, are met.

STATUS

Developer interest in the Pier 70 area has increased over the past year, particularly in light of the planned Mission Bay and UCSF projects to the north. Because the Port would like to seize the opportunity to preserve the historic buildings in the Opportunity Area, Port staff has: (1) formed and met with the Pier 70 Advisory Group to formulate the goals and objectives for the Pier 70 development RFQ/P; (2) hired an economic consultant to perform economic and planning analyses of the site; and (3) begun a Phase II environmental analysis of the site through a grant with the federal Environmental Protection Agency. Port staff will recommend a development concept for a RFQ/P to the Port Commission for approval in August 2000

APPROVALS

The project will require approval from the Port Commission, the Planning Department, BCDC and the San Francisco Board of Supervisors. CEQA review and a project Environmental Impact Report (EIR) may also be required.

SCHEDULE MILESTONES

June 2000	Complete meetings of the Pier 70 Advisory Group
July 2000	Consultants complete feasibility analysis
August 2000	Issue RFQ/P

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13/00

DOCUMENTS DEPT.

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SAN FRANCISCO PORT COMMISSION

JUNE 13, 2000 MINUTES
OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, JUNE 13, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:10 p.m. Commissioners Brandon, McCarthy, Hardeman and Lee were present. Commissioner McWilliams was not present.

2. NEW BUSINESS / PUBLIC COMMENT

Commissioner Lee reported to the Commission that Rose Pak accused him at a Chinese radio talk show that he had asked for a few parking permits for him and his family's use. He clarified that he did not ask for 4 or 5 parking permits but only one permit for his use. He provided the Commission a copy of a letter from the Commission Secretary verifying that he received only one permit. Hundreds of thousands of radio listeners heard her announcement and felt that his reputation has been damaged. He wanted to know who gave the personal information to Rose Pak who is not an official of the Port. He asked the Executive Director to investigate the matter and report the findings to the Commission at the next meeting. Commissioner Brandon requested the Executive Director to investigate the matter per Commissioner Lee's request.

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner moved approval; Commissioner seconded the motion. All of the Commissioners were in favor.

At 3:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 45
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*The Bay Center: Christopher Martin
*San Francisco at the Wharf: Dennis Barrie

b. Property: Rincon Park Restaurants at Folsom and Embarcadero
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Nice Ventures Inc.: Reed Hearon

c. Property: Pier 24
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Metropolis Partners: David Agger
THIS ITEM WAS NOT DISCUSSED.

d. Property: Port Property located at Pier 30-32
Port of San Francisco: Mark Lozovoy
*Red's Java House: Steve Riley
THIS ITEM WAS NOT DISCUSSED.

e. Property: Port Property located at Pier 9
Port of San Francisco: Nic Dempsey
*Pacific Marine Dining Yachts: Garrett O'Doherty
THIS ITEM WAS NOT DISCUSSED.

f. Property: Port Property located at Pier 94-96
Port of San Francisco: Peter Dailey
*Vulcan Materials: Bob Sears
*BP Aggregates: John Chambers

g. Property: Pier 33
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Kira Mikazon: Kira Mikazon

h. Property: Pier 23
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Big C Traders: Claude Jacques
THIS ITEM WAS NOT DISCUSSED.

i. Property: Pier 96
Port of San Francisco: Nic Dempsey, Senior Leasing Manager
*Operation USA/Hope: Neil Frame
THIS ITEM WAS NOT DISCUSSED.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___As Defendant _X_As Plaintiff

4. RECONVENE IN OPEN SESSION

At 4:30 p.m., Commissioners Brandon, McCarthy, Hardeman and Lee returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. ADJOURNMENT

The meeting was adjourned at 4:30 p.m.

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 13, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:35 p.m. Commissioners Brandon, McCarthy, Hardeman and Lee were present. Commissioner McWilliams was not present.

2. APPROVAL OF MINUTES

- May 9, 2000 Special & Regular Meeting
- May 30, 2000 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. The minutes of the May 9 and May 30 meetings were adopted.

3. EXECUTIVE

A. Executive Director's Report

Mr. Wong invited the Commission to the June 16th, 11:30 a.m. celebration of the newly renovated Mid-Embarcadero Roadway. The ceremony will take place in front of the Ferry Building.

B. Approval of Executive Director's compensation for Fiscal Year 2000/2001. (Resolution No. 00-48)

Mr. Ben Kutnick, Director of Finance & Administration, requested the Commission's approval of the Executive Director's compensation for FY 2000/2001.

In response to Commissioner Lee's inquiry about the increase, Mr. Kutnick confirmed that the increase is indeed for the regular compensation, not on performance.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-48 was adopted.

4. CONSENT CALENDAR

A. Approval of a sublease between AMB Property, L.P. and Weston Presidio Capital, a Delaware corporation, for lease of space at Pier 1. (Resolution No. 00-51)

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-51 was adopted.

5. MARITIME

6. REAL ESTATE

A. Approval of Memorandum of Understanding and Encroachment License between the Port and Municipal Transit Agency (Muni) regarding a hotel at Mission & Steuart Streets. (Resolution No. 00-52)

Ms. Terry Picon, Director of Real Estate, provided the Commission a background of the MOU and requested the Commission's approval of the MOU and Encroachment License between the Port and Muni.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 00-52 was adopted.

7. FACILITIES & OPERATIONS

A. Approval of Memorandum of Understanding (MOU) between the Port and the Department of Public Works (DPW) to reimburse the Port for the cost of eligible work under Contract No. 2658, "Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I." (Resolution No. 00-49)

Mr. Alex Lee, Director of Facilities & Operations, indicated that the MOU formalizes DPW's commitment to reimburse the Port for actual costs of specific work items, up to 110% of the sum of the bid amounts for specific bid items or $1 million, whichever is less. Based upon the low bid, the maximum value of the reimbursable work under the MOU is $738,871 (including a 10% contingency).

In response to Commissioner Brandon's inquiry, Mr. Lee responded that under DPW's MOU with the Port, it covers the work from the first column of the pile supporting the structure to the seawall.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-52 was adopted.

B. Approval of First Amendment under Professional Services Contract No. CT-3980004 "As-Needed Professional Services" with Structus, Inc. to authorize additional design and construction review work. (Resolution No. 00-50)

Mr. Alex Lee, Director of Facilities & Operations, requested Commission's approval of the first amendment to the professional services contract with Structus for additional design and construction review work in the amount of $25,000.

In response to Commissioner McCarthy's inquiry if the funds would be sufficient for the project, Mr. Lee replied that the requested amount would be sufficient since the design work would only be for the driveway portion of Pier 3.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-50 was adopted.

C. Status Report on Facilities and Operations Project (Informational Item).

Mr. Alex Lee, Director of Facilities & Operations, provided the Commission a status report on the following four projects:

1) Hyde Street Harbor started construction last month.
2) Downtown Ferry Terminal is on time.
3) China Basin Ferry Terminal is also on time.
4) Dredging work in the lagoon area at Fisherman's Wharf commenced this month.

Mr. Lee also noted that seven new Maintenance employees were hired to perform maintenance work at the Port.

Commissioner Hardeman thanked Mr. Lee for the informational report.

8. PLANNING & DEVELOPMENT

A. Authorization to enter into negotiations for the development and lease of Pier 45 Shed A at Fisherman's Wharf for public attraction use. (Resolution No. 00-46)

Mr. Paul Osmundson, Director of Planning & Development, provided the Commission a synopsis of the two proposals and staff's recommendation to award the exclusive right to negotiate with the San Francisco at the Wharf group for the development and lease of Pier 45 Shed A at Fisherman's Wharf for public attraction use.

Ruben Santiago endorsed San Francisco at the Wharf (SFATW) proposal. San Francisco would benefit from having SFATW by bringing millions of tourists to the facility. Their proposal has the best-oriented theme facility at the wharf.

David Lewis, Executive Director of Save the Bay, challenged the Commission to find anything in Malrite's proposal that supports the primary goals as stated in the RFP. Port staff's recommendation is inconsistent with the RFP. It is unresponsive to the priorities established by the Pier 45 Advisory Group, local merchants at Fisherman's Wharf and the fishermen. Port staff's recommendation, given the remarkable support in favor of Bay Center, is an affront to the people of the City and to the entire Bay Area as well as San Francisco's own community foundation. It is an affront to the State of California which has endorsed the development of the Bay Center proposal through general support of the Coastal Conservancy and a million dollars pending in

Sacramento for the Bay Center. Staff based their recommendation on financial viability. Port staff's interpretation of the bottom line is erroneous and shortsighted. The people of the Bay area won't patronize a faux San Francisco as they appreciate the real thing. They won't tolerate a "kitchy" amusement park on this cherished site. The risk of failure is high precisely for that reason. He asked the Commission not to turn its back on the bay, on the City of San Francisco and people of the Bay Area. He encouraged the Commission to reject staff's recommendation and authorize staff to negotiate with the Bay Center.

Tom Sargent, Project Manager of The Bay Center, believed that the Bay Center is important to understand the threatened ecological system. The Bay Center, as designed and as it will evolve, celebrates the natural history in a meaningful and pertinent way than the brief periods of sensationalism in San Francisco history that's being exploited for entertainment purposes by SFATW. The Commission is making the wrong decision. Because the decision is between two competitive projects; one a non-profit with a profound mission to create a learning center on the bay and the other a commercial enterprise with entertainment as its primary mission. The decision today should not be between the two projects but to dedicate Pier 45 to an educational, institutional use. Mr. Osmundson's analysis of the risk factors is not the way it works. The project raises the money up front and does not require a return. It does not require debt service. They can't start the project until the money is in place because the Commission would now allow them. There is very little risk once they start. They won't be coming back to change the deal. There's a much greater chance that SFATW will be renegotiating their project. If the project is offered for commercial use, SFATW should be charged real market commercial rents not at a rate significantly lesser. The project should be an institutional use, providing the educational experience that the Bay Center is doing. He encouraged the Commission to take a step backward and not try to choose between the two projects but to make a decision to put Pier 45 as non-profit educational use, hopefully a project with the Bay Center.

Christopher Martin, The Bay Center, indicated that the decision the Commission is making today may not be the most important decision this Commission has made but it will be the one the people will remember. The Bay Center proposal clearly and thoroughly addresses every objective set forth in the RFP. The project is not a pipe dream, it is financially feasible, achievable and will be a public interest for 50 years. All of the proceeds from the project will be put back into the facility and its programs. It will accomplish real things, provide insight to people about challenges to Northern California's greatest natural resource, San Francisco Bay, will influence a better bay for the future, enhancing opportunities for public enjoyment, preservation of resources and fisheries. People will come to the wharf to feed their minds, not only their bellies. The two proposals are different: (1) one is dedicated to providing insight and educationally improve the state of San Francisco, and (2) a tourist oriented theme park proposed by a newly established Cleveland developer. If you ask people on the street what they think about the two projects, 9 out of 10 people prefer the Bay Center. This Commission has a trust relationship with the people of California and mission to foster recreation, maritime and fisheries. The Commission is the guardian to San Francisco's waterfront and its bay. Bearing this in mind, selecting a tourist

attraction proposal over the Bay Center is equivalent to a parent providing their children with Pepsi at breakfast instead of orange juice or milk. Malrite's proposal can be accommodated at any inland location. It would be a mediocre attraction in San Francisco's waterfront. The Bay Center will directly support and ensure the future viability of the commercial fishing industry at Pier 45 in Fisherman's Wharf. Nearly a third of Port's revenue is derived from Fisherman's Wharf. The Bay Center will reinforce the vitality of that economic engine. This is a difficult decision for the Commission. The decision to choose between the two projects is easy. The difficulty would be to take exception with staff's recommendation. The difficulty would be to be independent from the extensive lobbying from Malrite's agent that started in 1988, well before any RFP was issued. The difficulty would be to stand up and vote your conscience. Phil Burton, who more than any other person, was responsible for preserving the region's priceless environmental assets was once asked what legislative action he regretted most, he responded the Burton Act, which enable the transfer of State managed waterfront lands to local Port authorities and create a conflict for these local authorities. The temptation to be in the land speculation business versus managing the land for the benefit of the people. The Commission's decision is a moral decision. He asked the Commission to make it as a tribute to Phil Burton and the betterment of San Francisco Bay and its future.

Marsha Mather-Thrift, development director for San Francisco Baykeeper, indicated that they have been cleaning up the mess being dumped into the bay for more than a hundred years and still being dumped on a daily basis as well as the upstream pollution in the delta. That's the charge of her organization and that's the reason they are extremely interested in the Bay Area because public education is paramount from their point of view. They are not simply interested in enforcement and lawsuits. They are interested in changing people's behavior and making them learn the value of the resource. The purpose of the project is being overlooked by staff's recommendation. The Pier 45 project should be compatible with long-term sustainable fishing industry and the inclusion of a significant maritime component. The Bay Center proposal has been at the top of the list on all these features. The numbers are the same except the Bay Center comes on top in terms of meeting all the goals. The bottom line is cash. She does not think that the heritage of San Francisco and our environment should be decided on that simple bottom line. Her organization brings with it the support of some of San Francisco's founding families, oldest citizens and many donors who believe on what they do. If they believe on them, they believe on the Bay Center. One of the Bay Center has to offer is a network of at least 30 organizations that support and bring thousands of members and the ability to create an instant network both for communication and raising money to fund the center. She has watched the decline of the bay, a serious decline not only on the bay but the quality of life because too many decisions are made on money and not on what's best for the citizens of San Francisco. If local citizens visit Fisherman's Wharf anymore, it's news to her; it looks like an amusement ghetto and it attracts mostly people from out of town. That does not need the status quo. Fisherman's Wharf used to be a lovely place that attracted lots of local people to dine in the restaurants, go to the fish stalls, support the fishing industry and enjoy it as a local visitor attraction. It does not mean that if you approve the Bay Center, the tourists will not come. They will come; it will be a lot more interesting and hands-on than Underwater World. The Bay Center proposal, is without a doubt

the best proposal. It will revive the Fisherman's Wharf area; it will not only attract local San Franciscans but Bay Area residents as well. It will showcase the very important bay protection research and education groups now scattered throughout the area and make their work to restore the bay and the delta visible for the first time. Major foundations throughout the U.S. most importantly the Packard Foundation are focused on the need to create sustainable fisheries because catches worldwide are in decline just as they are here in the Bay. The San Francisco Baykeeper made a solid commitment to this project as have 30 or so other organizations. She asked the Commission to think about the two alternatives.

Warner Chabot, Center for Marine Conservation, indicated that Malrite has a bad idea with lots of money. The Bay Center has a good idea but without all the money yet. The Commission is about to make a big mistake. The Commission is about to chase the money while trying desperately to turn a bad idea into a better one through the negotiations. Instead, he asked the Commission to embrace the good idea and give the money a chance to come. A green light, even a conditional green light, is needed and necessary to help the Bay Center project raise the necessary capital. For 10 years, the Pier 45 goals and criteria have not changed. The Bay Center proposal clearly and fully meets the Commission's goals and criteria. He asked the Commission to give it the 18 months necessary to raise the money, to harness the coalition of business, education fishing and environmental leaders of the Bay Area. He asked the Commission to not just chase the money but to chase the vision of San Francisco.

Francis Choun, Vice President of Business Development for McCarthy Construction, asked the Commission's support for the Bay Center project. McCarthy Construction, a union contractor, is committed to the local community, has a very strong concept and assembled a great team for this opportunity. She asked for the Commission's support.

Bill Ahern, Executive Officer of the California State Coastal Conservancy, a state-agency dedicated to promote education in the use and public access to the coast and around San Francisco Bay. Their 7-member board (which includes the CA Secretary of Resources and the Governor's Dept. of Finance) put out, at its risk, $125,000 to help the Bay Center develop a proposal. Their board felt so highly of the Bay Center concept that they decided to put up, at risk of the Commission's decision, the money to get the proposal to the Commission. If the Commission agrees to Warner Chabot's challenge to give the Bay Center 18 months and one more cycle in the State Budget process, he believed that the State of California would provide a substantial contribution to the Bay Center. The State Coastal Conservancy would propose to the Governor and the Legislature funds for the development and construction of the Bay Center and that would substantially lessen the financial risk that Port staff discussed. The State of California should be good for a quarter to a third of the cost of the Bay Center and they will eagerly push for that funding for the Bay Center. All they need is the place and the time to raise the money. He urged the Commission to support the Bay Center.

Susanne, Assemblyman Kevin Shelley's office, read the Assemblyman's letter to the Commission, it states ... "I write in strong support of the proposal brought to you by

the Bay Center project for Pier 45 in San Francisco. The Bay Center project is one that would benefit all of the Bay Area. It's combination of research, education and environmental advocacy would help sustain the beauty of the San Francisco Bay and ensure that it can be enjoyed for generations to come. Visitors to San Francisco come here because of our rich natural and physical resources. The Bay Center project will offer a rich source of information and education about our bay and the entire bay region. Residents and school groups visiting the bay center will learn about the bay and the bay region and gain a greater appreciation of this precious resource. This proposal has gained the support of many community groups and organizations but I am writing because of the significant support this proposal has received from the CA State Legislature. Included in this year's budget is an allocation of a million dollars. A million dollars for the Bay Center project. This funding provides a catalyst for change, enabling the Bay Center to raise the requisite funds to bring this project to fruition. The Legislature of the State of California recognizes the importance of the Bay Center project for all of San Francisco and for all Californians. I urged your support for this proposal."

Tom Creedon, Pier 45 Advisory Committee & President of Scoma's, spoke as a member of the Pier 45 Advisory Group that created the RFP. Mr. Creedon indicated that the changes they made to the RFP were minor i.e. to add additional retail space because Port staff felt it was not feasible as originally proposed. What Fisherman's Wharf really needs is a quality attraction; it needs something that would bring people to Fisherman's Wharf and something educational. There's terrific changes on the waterfront and Fisherman's Wharf is falling way behind. When Loma Prieta damaged Pier 45 in 1989, the Port at the time had a great vision. They stuck their neck way out and committed a lot of money to rebuild Pier 45 for fishing although at the time, the consensus was fishing is dead at Fisherman's Wharf. Pier 45 is now a focal point of the fishing industry on the coast, possibly in the whole county. The history of the people who have put up the money for this RFP are two of the Port's largest grossing restaurants and Scoma's is the largest grossing restaurant west of the Mississippi. They are business people who are successful at Fisherman's Wharf. Yet from the staff's report, the Commission is willing to support a foreigner who has no history whatsoever. Scoma's was built out of a piece of property that no one was successful with and is now the top grossing restaurant west of the Mississippi. He urged the Commission to think about what they are doing. The people who put up their own cash are here and are going to make it work. He asked the Commission to reconsider.

James Lew, North Beach Neighbors, supports the Bay Center because of its proposed program and its objectives. It represents a group of people who fought long and hard to protect Pier 45 which they have done in the last 15 years. The Bay Center has a better feeling for the values that are needed in the Bay Area. They have worked very hard to protect and preserve the San Francisco bay fishing industry. The evaluation criteria is a very subjective element. Staff made a mistake and he asked the Commission approve the Bay Center proposal.

Martin Rosen, longest and continuous member of the Trust for Public Land founded in 1972, indicated that there's a sense of dejavu that if their risk factor were being evaluated when they started the Trust for Public Land on a bid at the Palace Hotel

without the ability to come up with an earnest money deposit, the Commission might have said, "Are they serious?" In the years that he has been involved in this kind of work, they have never seen the breath and depth of public/private participation as the Bay Center represents. They are not talking about rookies, they are talking about people with passion and commitment that recognize the fragile, delicate nature of this unique bay ecosystem. It's the only bay of its kind and the only one we'll ever have. The ultimate protection is an enlightened, educated informed citizenry which the Bay Center proposal brings. There is risk but there is no venture without some risk. In San Francisco, the home of venture capital and with the commitments of the legislature, the California Coastal Conservancy and the support of the Trust for Public Land and numerous other organizations including Save the Bay, he asked the Commission to look at the real risk: (1) the risk to the bay; (2) the risk to Pier 45; (3) the risk that the Commission may miss the opportunity to do something of lasting, permanent value to its homeport, the San Francisco Bay.

Jay Wallace, Sanger & Olsen, spoke about the process. The RFP sets forth the primary goal, which was the ability to achieve the development concept. When you read the analysis and the report, it's clear that the only way that SFATW came up number one is because those who analyzed the proposals double counted its purported financial wealth. Clearly, one component of this proposal is the financial capability of the proposers. If in fact, the Commission and the staff has received evidence of the claim that the Malrite company has $100,000 million in the Bank of New York, evidence that nobody in the community has ever seen. The primary component for this RFP upon which all other analysis was to be based was the achievement of the development goals. The report clearly indicates that the Bay Center stands stronger on the achievement of the development goals in every single regard except for financial capability. Financial capability was not one of the filters, which was to be used in analyzing that primary component. The RFP clearly sets forth a role for financial capability. It was not the primary focus; it was a secondary role. For Mr. Osmundson to tell the Commission that San Francisco at the Wharf is number one in category 1, 2 and 4 is a twisting of the RFP criteria because the only way that it gets to number one on the most important issue is when the Commission and the staff double count their purported alleged $100 million in the Bank of New York. He concurred with the other speakers i.e. the decision is much too important to simply follow the money. The money will follow the Bay Center because it is a great project.

Milton Maltz, Malrite Chairman, thanked the Commission for their time and energy in what Malrite considers as the most important asset at Pier 45. It's important because so much surrounding Fisherman's Wharf is being revitalized – The Embarcadero, Giants Ballpark. In the mix of all this vigor, Pier 45 lies vacant as it has for the past 15 years. Staff in its recommendation presented four conditions in the resolution. He is pleased to advise the Commission that SFATW and Malrite find those conditions fair, reasonable and acceptable. Malrite's vision for Pier 45 has been patiently on the drawing boards for over 2 years. Simply stated, they offer a guaranteed $30 million renaissance which blends the history of the bay and the City with a height, quality, ecological museum called the State of The Bay under the direction of the California Academy of Science. They are honored to be a partner of the Academy. He quoted from their recent letter, "We're excited about the

opportunity to showcase our scientific process and results. The Pier 45 location enables the academy to reach a wider audience. In the long term, this museum also creates the possibility for a satellite location for the academy at Fisherman's Wharf." The environmental presentation will be free to both the community and to tourists. The scientists are among the best in the land operating Steinhart Aquarium, the Morrison Planetarium, the Museum of Natural History, Educators of Merit and principal supporters of preserving the ecology of the bay. They understand that you cannot reach unless you attract an audience. He is also proud that Dr. Dennis Barrie is the president of their company. Mr. Barrie spent 11 years with the Smithsonian in Washington, 8 years in Detroit's prestigious Institute of Art and the founding director of the Rock & Roll Hall of Fame. As the director of the Contemporary Arts Center in Cincinnati, Dr. Barrie risked going down in flames for refusing to shut down the Robert Maplethorpe Exhibit. For his stand, he was the first museum director in history, indicted for presenting controversial works of art. He knew the battle would be a personal challenge and it was. He faced a possible two years in prison. The jury, however, unanimously supported Dennis and the most precious First Amendment. To San Francisco's credit, this community was the first to honor his stance when the Board of Supervisors and the Mayor, declared July 2, 1990, Dennis Barrie Day. Ten years later, this heroic story and Dr. Barrie's courage was portrayed in a nationwide television movie seen a few weeks ago. They have a great team of scholars, designers, scientists and educators working for the SFATW. He thanked the Commission for their confidence. He concluded by saying that he formally served on the US Navy with the National Security Agency but never been before has he been called a "foreigner."

Van Philpott, Executive Director African American Historical & Cultural Society, one of the oldest institutions in the Western United States dedicated to the collection, study and presentation of the African American thought and cultures. The Society is pleased to endorse San Francisco at the Wharf. They feel that this project will add an economic as well as cultural addition to the City's diverse community, many of which has been left out of the current economic presence at the Bay. The project will be beneficial to the African American community in that, through participation, it will provide still another opportunity to accurately share their history along with the many other cultural groups in the San Francisco Bay area.

Calvin Womble, President of the Ellington Group, indicated that the Ellington Group is a S.F. based environmental management company currently involved in the San Francisco Airport and the SF PUC projects. He supports the Malrite project. To echo the previous speaker, there needs to be a very strong educational component but given the reality of education these days, it has to be couched in a viable project, in a good traffic flow. Malrite has addressed the issue of shoring up the educational component around ecology and environment and putting it in a project that is very viable. It will attract the numbers needed to continue to educate.

Donnetter Lane, African American Historical & Cultural Society (AAH&CS), indicated that she is one of the founding members of the San Francisco AAH&CS. She supports the endorsement of the Malrite project for the simple reason that in her 45 years of working in the diverse community, working for the public school system

and working with so many immigrants in the City, she knows that San Francisco has changed drastically. Whatever we do has a futuristic approach to the future and for another generation. She asked the Commission to support staff's recommendation for the simple reason that San Francisco is not what it used to be, will never be and we must plan for the 21st century and for those young people who will take over.

Bruce Judd, principal with Architectural Resources Group at Pier 9, indicated that he has been working on this project for over a year. They are the Historic Preservation consultants. They have worked collaboratively with the team to ensure that the entire project meets the Secretary of the Interior Standards and all preservation standards and are pleased with what's being proposed.

Donna Levitt, WBE Fine Line Construction, supported SFATW and as a parent looked forward to the project coming to fruition. It would be both educational and fun. She spoke about Nibbi Brothers Construction, the proposed builder for the project. Nibbi is a San Francisco based contractor, has a reputation for bringing in projects on time and on budget and has a reputation for fair treatment of women and minority owned businesses and workers. Fine Line Construction has been a joint venture partner with Nibbi Brothers for the last 3 years. They are currently working together on the Lesbian, Gay, Bisexual Transgender Center on Market Street. From Fine Line's perspective, it's been a relationship of mutual respect. They are a small women owned business, has been mentored and been able to grow and expand their bonding capacity, been able to increase the training of their staff and their capability to handle larger project. Last year, Nibbi Brothers received an award from HRC because of their commitment to affirmative action. They have been in joint venture partnership with minority owned firms 20 years ago, long before it was fashionable. The award was not only for providing opportunities for MBEs but also for providing work opportunities for women and minority workers and for low income San Franciscans. Nibbi Brothers has a commitment to San Franciscans and a reputation in our City. She urged the Commission to support the staff's recommendation.

David Iwamoto, Director of Sales & Marketing at the Tuscan Inn and representing their general manager, strongly recommended the Malrite proposal for the Shed A project at Pier 45. As a hotelier, they are always in favor of an adventure which provides a well thought out plan to increase customer traffic and develop new revenue streams into the area. It would provide an upscale attraction unique to Fisherman's Wharf and the City. It would also be the perfect museum quality attraction which will complement the National Maritime Museum, Alcatraz and the Balclutha. It would attract more out of town visitors both domestic and international as well as providing a new attraction to entice previous visitors to return to the wharf. Fisherman's Wharf is the number one attraction in San Francisco. The Tuscan Inn can foresee creating special value packages in conjunction with the Malrite project in their promotion of the Fisherman's Wharf area.

David Jones, San Francisco resident and operator of Tower Tours, indicated that prior to getting into sightseeing business. He taught environmental studies at several Bay Area universities. He is more than aware of an interpretative center such as the proposed Bay Center. He has long been a proponent of innovative quality additions to

Fisherman's Wharf in general. Both of these projects have merit. In reference to the earlier suggestion that the Malrite project could be built anywhere in less substantial real estate, he argued that you have to look at who you are trying to lure to Pier 45. The Bay Center project is an educational center for Northern California residents. Your target is not educating the person who is going to take this information back to Japan, Germany or Arkansas. These people are coming in from Novato, Livermore and Santa Cruz. They are going to pack their kids in a car and park at Fisherman's Wharf. Tourists are going to hop on the cable car and on the F-line. He has no problems with more bells and whistles at Fisherman's Wharf. He liked faux fog and highly endorsed SFATW project.

Myles Stevens, S.F. Black Chamber of Commerce, spoke in support of Malrite. The Chamber has about 500 members and 100 businesses. They all support Malrite. They see the educational aspect of Malrite and the historical aspect is second to none. It would be an outstanding addition at the wharf. His office is about a block away from the site. He sees a lot of businesses come and go on Pier 45. They need a business that will stay, that has a track record, that could build this project in good times and bad. Malrite is such a company that can stay with the project all the way through. They will bring quality and diversity to the project.

Tom Escher, Red & White Fleet, spoke in favor of SFATW and congratulated Port for their hard work. They have done the best job they can. They have hired the best experts to give them advice. Port staff has not brought emotion in the report and in their recommendation.. His family has been in the business on the bay since 1892. They welcome a quality, proven museum attraction to the wharf and looks forward to its completion. He supported staff's and expert's recommendation. He hoped that the Commission will support staff's recommendation.

Melanie Pedro, Tower Tours, spoke in favor of SFATW. They are located at Pier 43-½ and looked forward to a world-class museum as their neighbor and look forward to the opportunities and possibilities of working with the Malrite group and the new exhibit at Pier 45. Not only will it be wonderful for San Francisco and to the community of Fisherman's Wharf but also to Tower Tours.

Richard Soyombo, board member of the S.F. Black Chamber of Commerce and the Hispanic Chamber of Commerce, indicated that he is the director of the economic development program sponsored by the State of California. They deal with small and medium size companies. He spoke in support of the SFATW project. In preparation of this hearing, he thought about the project, the future of San Francisco and the economic potentials to the disenchanted factions of this City. The SFATW project is a unifying force at different levels to different people. To him, the project serves three main purposes that influence but surely impact the community at large: (1) cultural, (2) education and (3) economic. Culturally, the SFATW project encompasses all cultures. It includes everybody. It tells the history of the foundation of the City and the ongoing historical landscape of the City. It tells the stories of you and I in different ways, at different levels. When you look at the museum, when you look at the learning capability of the museum, the influx of money that people can get, the jobs that will be created, the taxes that will be created to the City and to the people is

enormous. Educationally, it impacts everybody at different levels. Many of us who have children can learn at the museum about conservation of life or the environment, preservation, classroom instruction development. Educational field trip for various different cultures. The immigrants who do not have access to Ivy League education. These are the things that people can benefit at different levels with the SFATW project. Economically, he is an immigrant to the City and yet has to meet somebody that move here because of the money that the State Government provides to the City. Everybody comes here because of the cultural affinity of the City and because the City is sympathetic to everyone regardless of sex, race or agenda. By approving this project the Commission is assuring the influx of millions of dollars in private funds to revitalize the northern waterfront. It's not a matter of an outsider coming here or somebody running away from their commitments. This is not a lawless City; one has legislative rights. He asked the Commission to support and approve the SFATW project and hold them accountable to their words.

Gladys Hansen, retired City Archivist, supported the Malrite project. She concurred with an earlier speaker's remark that San Francisco has changed. Our City is no longer the banking and printing capital of the West, and no longer an important port. The City is losing corporate headquarters to major companies but the City is now the tourist capital of the world. Profits from this new enterprise must feed our City's economic engine. San Francisco is recognized as a fun City. Fun is what our visitors are seeking. SFATW will provide them the City's historic beginnings. The children of San Francisco can experience and benefit from visits especially after the publication of various historical syllabuses relating to district's culture on people. As education director of the Malrite project, she began meeting with teachers at an education workshop. The teachers outlined their needs to help Malrite develop the comprehensive educational school program. She is eager to begin this project and the teachers are eager to help. The children will learn that San Francisco is unique. A thing without a parallel, one that admits of no comparison for there is nothing like it in the histories of cities.

Mehri Ausari, Ausari Structural Engineers, a small WBE/MBE firm, indicated that both projects are interesting, educational and useful for the City but gave her support to the Malrite project. Because of the location of Pier 45, it's her opinion that SFATW is more suited. Although Malrite may have come from the outside, they are interested enough to support and seek out small businesses in the City. Malrite is good for this area. She started her company about a year ago and Malrite found their organization and gave them a chance. Malrite is very supportive of the small and local businesses.

Terry Lloyd, partner in the accounting firm BDO Seidman, indicated that they were asked to provide an objective analysis of the SFATW project to look at the numbers and provide a standard financial analysis on the economic features of the proposal. Through this request, they brought their standard expertise in similar projects. Their analysis was based primarily on the economic features of both proposals, supplemented by Mr. Osmundson's report. They used a standard financial technique called "present value" to evaluate the financial condition or viability of the two competing proposals and put that analysis in the context of comparable projects in San Francisco and across the country. The Malrite project presents a combination of

facilities and services designed around the broad theme that already exists at the wharf. The proposed State of the Bay Museum education program and ongoing community special events provide the educational aspect in the RFP. Most importantly, it's their professional opinion that the Bay Center's more narrow theme will not attract local residents as anticipated. Most importantly in that context, they took experience from the inner harbor in Baltimore whose Columbus Center went forward under a comparable approach or desire to educate the public and to marry science and entertainment. That experience is instructive in that the project of that aspect of the inner harbor was only open 7 months before it was required to close its doors after it was only able to realize one fourth of the number of people it had projected. Even more importantly is the lesson learned that it took 10 years to raise development funds. The most important feature of their analysis shows that the strong financial backing of Malrite is substantially less risk with the self-sustaining entity. Finally, the proposed $30 million investment by Malrite represents the potential, high-quality facility that enhances that aspect of the wharf and contributes both to the community as well as the local economy.

Brian Blake, Coast Marine & Industrial Supply, indicated that they are the last business on the wharf that caters to the commercial fishing industry. He graduated high school from a school that was built on speculation, salmon fish hatchery, solely on donated dollars. Awareness and education is going to be an important link to the preservation of the commercial fishing community. He was at a Pier 45 meeting and Mr. Barrie mentioned that their attraction is going to be primarily a static attraction. On Page 4 of the staff report, it states that the project plans to change in response to input from visitors. Change is good but this is a business investment that they are asking the City to allow to happen. As a father of two kids, the cost of $11.95 to see a static attraction on a blue-collar worker's salary is a lot of money. This is an age of speculation and of internet startups. He urged the Commission to give the Bay Center a chance to raise the money.

Shala Davoudi, owner Elite Reprographics – MBE/WBE firm, indicated that both parties present excellent projects. She supports SFATW project for many reasons: (1) economically, it makes sense. It will generate a lot of money. (2) It has its own budget. In reality, every time someone wants to start something, there's always an argument. For example, when the idea of a ballpark in the City was raised, everybody was against it. Now that the ballpark has been built, its' the best thing that has ever happened to the City. (3) Educational. When she moved to this City 20 years ago, she loved it. But when the time came to raise a family, she moved out of the City. With all the recent changes in the City, she wants to come back. She would love to bring her children to Pier 45 to learn something. She's very involved in the community and supports the schools and will bring the school kids to Pier 45. San Francisco is a place for tourists. She's also a board of the San Francisco Black Chamber and she appreciated the way they approach the community.

Aaron Peskin, President of the Telegraph Hill Dwellers, spoke on behalf of the Board of Directors. The board unanimously endorsed the Bay Center and greatly encouraged the Commission to do likewise and enter into negotiations with them. If you have to choose between the Exploratorium and Pier 39, the choice is clear. Choose something

like the Exploratorium; it's a once in a lifetime opportunity. He reminded the Commission that the perceived excesses of the Port ten years ago is what led to Prop H. Approximately 750 members from the northeast quadrant and the Telegraph Hill Dwellers endorse the Bay Center and hoped that the Commission will do likewise.

Claudia Cohan, a consultant with the Bay Center, read the report prepared by Port staff and was disappointed by its analysis and conclusion. It seemed that the aspect that held any weight in staff's mind was the current size of the bank account. They took little heed of the long-term benefits of one project versus another and therefore ultimately of what is truly in the best interest of San Francisco. She was even let down by the lack of confidence that Port staff placed in the citizens of the San Francisco Bay region and their interest and willingness to invest in the health of the bay through funding of the Bay Center. What the report truly says is that the citizens of the region would not be interested in this public institution and therefore would not fund it. She highly think that is the case or the endorsements would not be so widespread. The staff discounted the track record and the public following of the coalition groups. It discounted the track record and professionalism of the fundraising team and it discounted the significant weight that the community places in the region's environmental health all because of the for-profit group has the money in the bank. Having fundraised exclusively for environmental projects since 1983, she's keenly aware of the great importance that the public places in having a clean environment in which to live, work, raise their families and leave to their grandchildren. She knows very clearly that the Bay Center is a project that would be adequately supported. Successful fundraising works because people are willing to commit to a project and help it come to fruition by giving their time, money and contacts. The Port could take the approach that the long-term benefit of the project is worth the immediate short-term risk and help to reduce that risk by introducing project leaders. There's many ways that the Port could protect their short-term interest with the proviso that they carry out a feasibility study, enhance their fundraising team, make sure that the support from the City helps them open doors. The Port has an opportunity to create a national model and hoped that the people of San Francisco won't be let down.

Claudia Cohan read a letter from Marjorie Schwarzer, chair of the Museum Studies at JFK University. It states... "Congratulations for having the foresight to develop Pier 45 into an attraction for the public. When I was involved in a similar project redeveloping Chicago's Navy Pier with a non-profit children's museum, Chicago's mayor had the same foresight and approved the pier for non-profit educational purposes. As you probably know, Chicago's Navy Pier has been a huge success. Pier 45 has the potential to be this successful. The decision between the competing proposals is about short-term financial gain versus the long-term health and grassroots flavor of the City and it is also a watershed for the San Francisco Museum's community who ultimately benefits the Malrite Company of Cleveland or the people of the San Francisco Bay Area. The Bay Center will educate tourists and locals about this precious resource for the long term. Supporting a grassroots community museum in a prominent site such as Pier 45 is an opportunity for the Port Commission to do something of national stature and be a model for other governmental agencies planning such endeavors."

John Jenkel, a Port tenant for 13 years, indicated that the risk factor with the Bay Center is a non-issue. It only affects revenue attracted by private dollars. The government has no role aiding private dollars. It has a role underwriting attraction by non-profits. The risk of Bay Center being non-sustainable is a risk the Burton Trust is obligated to take. The Port Commission may be giving Pier 45 away with the motion for the Mayor's Office. The Mayor's office has historically run the Burton Trust in response to special interest. However, the Burton Act states that the trustee is the City & County of San Francisco. The People are getting gypped as they are only getting one third of the designated trustee. To be in compliance with the Burton Act, all Burton Trust Policy should have representation and the accompanying accountability. Accountability will come to the Burton Trust when the San Francisco Board of Supervisors steps up to the Burton Act responsibility as the real legislative body of the Burton Trust. City Charter Section 7.402-1 applies. The Board, facing re-election in November, will not turn their backs on local experience. When the Commission gets ready to execute its agreement with SFATW, the deal will not pass muster at the Board who live and fall on accountability.

Bill Hough, Resource Center for the United Nations at the Presidio, indicated that he supports the Bay Center proposal and hoped that the Commission considers them. Equity Builders manages the Presidio facilities and are highly qualified in managing properties like this. One of the concerns of the evaluators was that the management team was not in place. Pier 45 will be well managed if Equity Builders is involved. A friend of his was meeting with a citizen from China who was seeking information on how to create a national park in China. That would be the kind of visitor that the Bay Center would attract. People from all over the world asking for advice on how to protect the wetlands and estuaries. Our grandchildren are going to live in a world that will double in population from the present 6 billion to 12 billion in their lifetime. In California alone, the population is expected to rise from 35 to 50 million, which will put incredible strains in their lives. They need real education. They have to experience. The real virtue of the Bay Center proposal is the reality of the educational experience. It's not just something fanciful that entertains but help to prepare for the kinds of environmental challenges they are going to faced in their lives. He hoped that the Commission will take those ideas into consideration.

Mike Berline, member of the Pier 45 Advisory Committee , indicated that he is adamant about retaining the fishing industry on the pier but if at any point in the negotiation period, the Port gets uncomfortable in designing Pier 45, it really wouldn't be a catastrophe if it reverted to the fishing industry.

Maria Brown, Executive Director of the Farallones Marine Sanctuary Association, expressed her concerns that the SFATW does not meet the development goals stated in the RFP. (1) Quality educational learning interpretive focus. SFATW is not educational but an entertainment "public attraction." (2) Enhances image at Fisherman's Wharf. SFATW would not enhance the wharf's image but perpetrate the perception that the wharf is a schlock tourist attraction. As a San Francisco resident, she does not want to see the wharf perpetrated as a tourist attraction but something that residents would feel like visiting. (3) Support long-term future of fishing industry. SFATW has not shown how it will support the long-term future of the

fishing industry. She would like the wharf to celebrate the history and significance of the San Francisco Bay and the fishing industry. The fishing industry has been hit hard across the nation and San Francisco can and should be a model of promoting sustainable fisheries and celebrating our fisheries. The fishing industry has to be involved to accomplish this. (4) Audience Goals. SFATW will primarily attract tourists; not residents. (5) Themes. It is unclear how SFATW will address the themes related to the San Francisco Bay ecosystem environment and environmental preservation. SFATW fails to adequately address the development goals of Pier 45. The RFP stated that meeting the development goals was the Port's paramount criteria in selecting the developer, In good conscience, the Port cannot select SFATW at this time.

Zeke Grader, Executive Director of Pacific Coast Federation of Fishermen's Association, indicated that among their members is the crabboat owners association of San Francisco which represents local fishermen. They are the largest fishing organization on the U.S. Pacific Coast. For the past 25 years, their organization has been concentrating primarily on working to assure that there are resources for sustainable fisheries. Because of their work for the past 25 years, the winter run salmon are on their way to recovery. This is the only place in the Pacific that endangered salmon run is on its way to recovery. Because of the hard work of local fishermen in concert with the conservation groups and agencies, we have in the bay the nation's only urban commercial fishery. This is the only place in the country where you can look at the skyscraper and walk along the wharf and actually see a commercial fishing activity. We have a crab fishery and they are working on restoring the habitats and ecosystems in the bay to restore the fishery to its greatness that it was in the 1950's. Their organization has been involved in finding the original native oysters. They have been working hard to assure that we have resources in the future so there can be a fishery. They have worked with the Coastal Act in 1976 to assure that fishing facilities along the coast is protected. The Coastal Act however did not apply to San Francisco Bay. In the 80's they worked with then Assemblyman Agnos to establish a fishing center at Pier 45, not one that was to be half fish processing, half Las Vegas. He was dismayed that the Commission was considering one of the proposals. Malrite does not meet the criteria that were called for in establishing a Pier 45 center. Assemblyman Agnos worked hard to get that legislation through to receive federal funding to restore Pier 45. Don Solem has done a good job of bringing out every group in the community. We have heard about every issue from the First Amendment on but the groups missing here tonight are the fishermen. If the Commission decides to vote for the Malrite proposal, we might as well remove the term fisherman from Fisherman's Wharf.

Carolyn Brown, lecturer at the UC Berkeley School of Business and a board member of Save the Bay, spoke in support of the Bay Center proposal. The Bay Center proposal will provide high-quality, state-of the art educational attraction for San Francisco residents and visitors alike. It fits well with the unique character of the City and the waterfront and the vast bay region. The Commission may not be aware of the impact of the bay on the entire region. Nearly 7 million people live, work and travel the shores of the bay. The Bay Center will provide a unique venue for analyzing and understanding the impact of humanity on the delicate ecology of the bay, the delta and

its pacific ocean sanctuaries. It's unique in the region and an asset to the entire region as well as in the City. The Bay Center's value to residents, visitors, businesses in the City is analogous to the Monterey Bay Aquarium which transformed that City's image and brought visitors and dollars into Monterey. The Bay Center proposal was developed locally by San Francisco citizens on their own time and out of a deep understanding of San Francisco and of the bay ecosystem. Some of the educators involved in this are Scott Hill, the chief deputy superintendent for public instruction for the State, the number two educator in the state of California. He's been involved with the bay Center from the beginning. Also involved is the head of the Environmental Science Center for the S.F. Unified School District. She asked the Commission to consider the tremendous opportunity that the Bay Center represents and asked the Commission to embrace the vision that it represents. She appreciates the Commission's concerns about financial viability but understand what can be accomplished by non-profit organizations through raising private dollars. Just down the shore from Pier 45 is Crissy Field. The Crissy Field restoration project is truly an astounding accomplishment. What you'll see as you tour the facility is what can be accomplished with private funds raised by a non-profit, in this case the Golden Gate National Park Organization, a non-profit organization raised $36 million in private funds to transform what was a toxic pile of concrete long dormant and has now been transformed into a pristine ecosystem attracting hikers, bikers, runners, students of ecology and birds of all kinds including endangered and rare species. All of this accomplished by private funds by a single non-profit organization. Imagine what a coalition of local businesses, community groups, and community leaders can achieve. She asked the Commission to give this vision and coalition a chance.

Paul Revier, Communications Director of Save the Bay, indicated that for those who know how threatened the bay is and how important it is to increase our knowledge about it, the idea of "a Las Vegas type attraction" on the wharf comes not only a disappointment but a tremendous breach of good faith to many members of the community who came together to meet the very clear objectives of the proposal. He thought about what the bay was like when Portola came marching up the Peninsula coming across the top of the South Bay mountains, looking out upon the vast estuary, it's nothing like what we see today. The millions and millions of birds, the tremendous schools of salmon, so vast that the early Ohlone people talked about walking across the river on the backs of them. We have lost so much and so many of us may not even know what we've lost. The defining natural features of this place we call home e.g. the ten islands on the bay. We need to learn much more about the bay. The Port had a wonderful idea when it asked for the proposal. He asked the Commission to cast the support for the Bay Center and do not let this opportunity pass..

Bob Kastl, graduate of USF and Golden Gate College, indicated that he fished for smelt using trolley equipment off a Muni pier the first year it was completed. He fished for dungeness crab with nets made by his father. Two dead whales washed up in San Francisco Bay two days ago and they stink but not nearly as bad as the Malrite project.

James Chan, Executive Secretary of the Chinese Consolidated Benevolent Association, gave a vote of confidence to the SFATW. He knows that it will be an educational and fun project and it will be a profitable venture for the company. SFATW tells the history and the culture of this beautiful country and it educates visitors about how San Francisco came to be the multi-cultural, melting pot City. The museum will bring history back to life for the Bay Area students as well as visitors and it offers opportunities for schools to explore an adventure in science and history. It will give us a chance to look back into yesteryears. How the Wild West was won, the rebuilt of San Francisco after the 1906 earthquake and also give a chance to remember our World War heroes who fought gallantly for the freedom we are enjoying today. SFATW is gracious enough to include a program of the Chinese Immigration. It shows in different stage the important contributions made by their forefathers. He read about the suffering, the discrimination and enduring hardship their forefathers experienced during that time. He appreciates that SFATW is including that part of history into the museum program. He will definitely bring his children and grandchildren to visit the museum regularly.

Jennifer Clary, San Francisco Tomorrow, was disappointed in the staff's recommendation to support SFATW. She urged the Commission to vote its conscience and vote for the Bay Center. She asked if the Commission can agenda at the next meeting i.e. if you have a fully compliant proposal that is a non-profit that has broad public support and it does not get a staff recommendation and if it does not get a vote of the Commissioners today, what does it take to build a non-profit on the waterfront. This is the first of many developments and does not know what it would take. If we have a public property, operated under the public trust, surely there is space for a non-profit educational activity. If it is not available here or if you have a project in hand, she asked the Commission to agenda it for the next meeting and explain where and how it will work on the waterfront. Because if every development on Port property is going to be for profit, it would create a ruckus and there will be a lot of people joining San Francisco Tomorrow. She hoped that the Commission vote for the Bay Center.

Dennis Wong, Executive Secretary of the Wong family organization and a member of the Chinese 6, indicated that he is involved in different projects. About another six months, the 21st century will start. San Francisco has been competing with the different ports in the northwest U.S. for a number of decades. APL's business went to Oakland. Los Angeles surpassed San Francisco and became the international macro City. Seattle and Portland joined the ranks of world-class cities. San Francisco was left behind. Fortunately, the City has dedicated public servants that have the vision and foresight and bite the bullet and make progress and start building in San Francisco. He agreed that the Presidio has gone through quite a transformation. He saw that the Embarcadero with the addition of the Pacific Bell Park is making a tremendous progress. The Pier 45 project with Malrite's expertise and the involvement of the community groups and the history they want to portray for visitors local and international would have a tremendous impact not only for San Francisco but also for the country. We no longer have to limit our vision to just the Bay Area. We have to see beyond. We see that the developing countries in other parts of the world are coming up. He hoped that the Commission bites the bullet in order to make

progress in this area and support the Malrite project.

Eddie Tsang, Chinese 6, shared his support for the SFATW. The project is well thought out and financially sound. The project is good for the Port and the Bay Area.

Alma Lark, North Beach Tenants Association, thanked Malrite for informing them of their plans to transform Pier 45 to a theme development. They applaud their attention to educate and entertain residents and tourists with multiple, interaction depiction of San Francisco history. They felt that Malrite's experience with the Rock & Roll Hall of Fame Museum, the American Freedom Train, the Rivers of the World aspect and the recent World's Fair in New Orleans and with San Francisco's radio KSAN and KNEW will make SFATW an outstanding addition to the neighborhoods. They also look forward to working on implementing communication and training so that residents of the North Beach housing are employed in construction and operation of the project. She endorsed SFATW as a positive use of Pier 45.

Monica Maresca, a San Francisco resident, supported the SFATW project. The this project incorporates cultural, educational and economical aspects that can be of great value to the City. San Francisco, Bay Area residents and visitors will be able to benefit from the SFATW's potential programs. Local and international students will have the opportunity to learn about the true history of San Francisco and its culture while enjoying the beauty of the bay. SFATW project will bring exhibitions, cultural events and celebration. A project like the SFATW will add beauty to the Fisherman's Wharf area and will attract great audience. This project embraces progress, which is needed in San Francisco. She asked for the Commission's support of the SFATW project.

Rajesh Choudhary, native San Franciscan, indicated that they visit the Wharf, Wax Museum and Underwater World once and will visit the Bay Center once. There in lies the problem with the Bay Center i.e. it does not play to the strength of its venue which is the tourism industry at the Fisherman's Wharf. He felt that the SFATW project not only would attract tourists but also attract repeat business from locals. The uniqueness of SFATW project will ultimately lead to its success.

Gina Berard, San Francisco Resident, supported the SFATW project. The project will incorporate cultural, educational and entertainment value all in one. It will also add to the continuing revitalization of San Francisco. With its emphasis on the rich culture and history of San Francisco, it would be beneficial and enjoyable to everyone, tourists and everyone alike.

Don Marcos, Executive Director of the Hiring Hall and the South of Market Employment Center, indicated that no development is complete until it incorporates jobs, jobs for San Francisco residents, in particular the low-income residents of San Francisco, the minority population and women in non-traditional jobs. It is estimated that this project would create 150 permanent jobs after construction and about 250 construction jobs. Creating those jobs alone is not enough, there has to be a mechanism and outreach to make sure that the most impacted population in the City participates in developing the facility. The North Beach housing authority and the rest

of the low-income population in San Francisco need to have access to this project. SFATW approached Mission Hiring Hall to develop a training program that will ensure that population is well qualified to take that job. He asked the Commission's support on their behalf.

Jane Morrison, President of the S.F. Tomorrow, indicated that Mr. Osmundson mentioned numerous criteria but only one matters i.e. creating on a public space a worthwhile educational environmental project for San Franciscans and visitors. San Francisco visitors can see the fog and the Golden Gate Bridge in person. Malrite does not need to be in the bay. If it is going to be here, it ought to be in a commercial spot elsewhere in the City and not using any public space at a personal profit. San Franciscans thought that Cleveland was an odd place to put a Rock & Roll Museum. SFATW should be a big popular attraction in Cleveland and suggested that they move it there. She shared with the Commission an article in Monday's *Chronicle* regarding another tourist trap on the waterfront. The *Chronicle* mentioned that San Francisco needs a year-round attraction at the wharf that would bring in locals along with tourists. Schools and families may visit the tram and quake show once but that they would likely return again and again to an exciting educational facility on a par with the Exploratium and Monterey Bay Aquarium.

Ken Burger, Jr., Franciscan Restaurant, indicated that his family has been operating the Franciscan Restaurant and Pier 43-½ parking lot for 43 years. So far, he has witnessed two flops at Pier 45. This is an opportunity to have a homerun at Fisherman's Wharf. The Rock & Roll Hall of Fame in Cleveland is an evidence of the SFATW's caliber of a museum and attraction that San Francisco needs and he would be proud to have them as a neighbor.

Akola Thomas, Executive Director of the Center for African American & African Culture, supports the Malrite project. He read the following into the record. "When we were first presented with the proposal for this SFATW development, the initial reaction was that of "What's up now?" But as we began to really study its detail, we discovered that the project actually addresses a serious cultural deficiency in the City. Our Center houses the San Francisco African American Historical and Cultural Society's Library and Archive; as well as four other Resident members who have a major stake in the survival of arts and culture in the City, especially those of African and African American genre.

The aspect of the project that really excites and gives cause for celebration is the acknowledgement and contribution of ordinary San Franciscans in the exploratory, planning and concept building of the project to this stage. The programmatic features of training and employment create strategic growth opportunities for appropriate land use in the City and County of San Francisco. Over the past forty years, non-profit organizations have invested tremendous amount of time and energy in rebuilding neighborhoods, creating healthier communities and empowering children and youth towards becoming positive social contributors to society. This project represent a movement towards establishing long-term sustainable arts activities, providing employment and building artistically functional and aesthetically pleasing facilities that these cross-generational, inner-City constituents can take advantage of.

The philosophy, concepts and activities presented by the Project team represent the kind of revolutionary concept that defines San Francisco as a City that knows how. We support wholeheartedly the Interactive Museum, the Themed Adventures, Themed Dining Areas, and the Historic Streetscape called Embarcadero Way; that extends a visitor's experience in this country, west of the Mississippi. We think that the cultural planning, collaboration, and thorough understanding of local context by the Project developers will go a long way to increasing economic development capacities not only of the immediate Wharf areas, but impact the rest of the City through tourist dollars that are generated and granted through SF Hotel Tax Fund Grants for the Arts. We see this great synergy of directed public-private partnership as a benefit to everyone.

We urge you not only to approve the SFATW project as presented, but also to provide serious and substantial support and related staff technical assistance that will foster successful implementation of the project. ...."

Cynthia Wiltz, North Beach Public Housing Resident, gave its support Malrite's proposal.

Juan Monsanto, Manager for Planning & Program Development at the S.F. Housing Authority, representing the North Beach Public Housing Development, addressed their needs to the housing authority about the need for more activity such as the Pier 45 project. He represents 762 residents who live in the No. Beach Public Housing Development, 229 units of low-income families who are striving to improve their lifestyle. The North Beach Public Housing Development is a $90 million development, which is 3 blocks away from Pier 45. The residents are very excited about the opportunity to improve their social economic and self-sufficiency capabilities. The Malrite Company representatives were the only ones who approached the residents to assist them in understanding their proposals and indicating some training opportunities for the project. On behalf of the North Beach residents, he gave his support to the Malrite project.

Kathleen Coakley, Vice President of Exhibition Development at Malrite, coordinator of the expert advisors, researchers, archivists, curators and exhibition designers. Her background is in museums and public education, specifically, 14 years with the Cleveland Museum of Arts, which has one of the best and oldest professional educational department in the country. She taught and ran classes, produced outreach programs, worked on exhibits, special family activities, lectures and the like. It was great training for what she did next which was to found a non-profit organization dedicated to promoting the best design and use of public spaces done primarily by building community consensus and encouraging everyone's participation. After a fellowship in advance environmental design in Harvard University, she developed a special ongoing project called, the Hidden City Revealed, which celebrate that City's rich and varied past. Its geography, its origins based on shipping and industry, all gritty, humble, ethnic, caring and visionary. Because of that background and those interests, she was recruited and very happy to come to Malrite to create a concept to the new generation of museums. Once they are accurate, surprising pieces of history

and culture are presented in the best, thought provoking and engaging way. It would be her responsibility to ensure that SFATW is a dynamic changing place that attracts visitors, school kids, families, residents and tourists time and time again. This will be done by working with Port staff, interested citizens, like-minded organizations, institutions and civic leaders to build on the strategy already in place. More importantly, teachers and their students will find a great place with layers of meaning where they can take themselves back in San Francisco and bay history and project forward as well. They will do this with all kinds of activity connecting with curricula, offering lectures, tours, festivals celebrating ethnic heritage, programs focused on maritime topics to ensure that SFATW is a lively, day-long, year-long place. The site is perfect to attract residents who want a quality destination at the wharf and tourists who will learn about San Francisco and come to appreciate all its different facets in one place. She is glad to be out of the competition for desperately needed philanthropic and charitable funds. She's very pleased to be a part of a private sector initiating such important model and with a significant budget in place, very eager to begin.

Dennis Barrie, President of Malrite, indicated that he had a written speech to talk about the quality and the commitment of the project but others have said it better. He was moved by the passion of all speakers but very moved by the passion of their speakers and the dedication and the feeling they have about this project because what they intend to do is something unique and something wonderful and something that's never been tried before. They are telling history and they are doing it in an evocative, energizing and entertaining way. They are telling history from the perspective of the ordinary person, which is a wonderful way to tell history. They are doing a cultural, educational facility. They are providing economic development. What's so evident is they are capturing the diversity of this community, which is critical for San Francisco's past and its future. Malrite Company does not just deal with the past but the future as well. They will deal with the future with the state of the bay organization. They are not the bad guys they were presented to be; they do care about the environment. The environment is clearly a part of their story; it's a part of San Francisco's story. They believe in those issues that have made this City a great City. The struggles, successes and failures and they will bring to that the kind of staff like Cathy and others that has the quality, the background. They are not Las Vegas, they are the Smithsonian, they are projects of national and international recognition, which they will bring to this City. He asked the Commission to consider Malrite favorably and thanked the Commission for all the efforts.

Jeff Heller, Architect, indicated that the Malrite proposal is solid and the disparaging remarks are totally inappropriate and unfounded. There's a huge number of people on the team that are San Franciscans and San Francisco based and this will be a San Francisco project. The people doing this are highly experienced in museum and exhibition work. There will be many educational aspects. It's important to note that non-profit is not necessarily more virtuous than for-profit. Fish are not necessary more important than people. A balance set of exhibits about the bay and the City is what really counts. To put it in perspective, the wharf always resists change. There are so many entrenched interests that they simply refuse to see that change in solid form is actually good for the wharf. The Malrite proposal is going to be a fantastic

proposal for the wharf. Port staff was entirely proper, brave and strong in their report. One cannot put off forever the promise of some idea in principle that you should keep waiting because it's been 30 years and nothing has happened at Pier 45. This is a solid proposal that would make it work. Pier 45 Shed A is 70,000 ± sq. ft. The Monterey Bay Aquarium is 325,000 sq. ft.

Clive Jones, Economic Research Associates, the economic consultant for the Bay Center. The Malrite proposal talked about 675,000 attendees, spending $10.72 per capita, for a construction cost of $30.7 million. In the entertainment business, one looks at the investment per annual attendee which is $45 per annual attendee. In the industry, the rule of thumb is you have to have at least $75 per attendee to be successful. Malrite's investment is significantly low. On the other hand, the Bay Center is 429,000 attendees spending $5 with an investment of $36 million. That's an investment of $84 per annual attendee, twice as high as the Malrite proposal and consistent with the industry standards. Malrite is spending half as much per annual attendee and getting twice the spending per attendee. He would like to have the consultants and Port staff address that issue. The San Francisco Experience at 21,000 sq. ft. is too small to handle 675,000 visitors a year. The consultant report talked about the number of projected visitors in the relatively small space exceeds any of the local comparable attractions. There are some concerns about the ability of Malrite proposal to achieve its financial objectives as stated. The investment for the Rock & Roll Hall of Fame was $90 million for 500,000 visitors. That was $180 per annual attendee compared to the $45 being proposed in this project. He cautioned the Commission that the Port is not going to get the same quality that is in the Rock & Roll Hall of Fame from that kind of investment. The investment should at least be $50-60 million.

Lorraine Bender, North Beach Public Housing Resident, was in support of the Malrite proposal because it would be a great opportunity and it would enhance education for the young people.

Peter Spurney, VP of Malrite Operations, indicated that there are many parameters involved in doing a business plan for a project of this type. There is 138-page pro-forma. They have looked at comparables and have done a lot of study with regard to per capita, investment per sq. ft., length of the stay. All of which are involved in the return on investment. It's not as simple as how many dollars are invested per attendee. What's exciting about the SFATW is it is a mixed-use development. The museum cannot be separated from the retail, from the dining or from the theme adventure. That makes this project unique and profitable. They have had a discussion with Economic Research Associates when he was producing a similar Malrite project which is under construction in Washington, D.C. It's a museum, a mixed- use with very comparable figure to this project on espionage. How wars are won, lost and avoided. They hired Economic Research Associates, Washington office and they verified all of the numbers which was submitted to the City of Washington D.C. The Washington office liked their numbers. They used the same mathematical model in Washington as they are using in San Francisco. They look forward to producing this project. He has had six once in a lifetime experiences. Each one of them has been a public/private partnership that combines education and entertainment. They were exciting and

empowering. The Commission has heard from a whole range of people who would like to get involve and make this project succeed.

Roger Kaufman, San Francisco at the Wharf, spoke in favor of the SFATW. He has been in business at Fisherman's Wharf for over 25 years and has seen many changes. Pier 45 has been left behind as far as development is concerned. He is very pleased with the prospect of a well thought out project. Malrite, over the past couple of years, approached numerous organizations, consultants and the community in establishing their proposal. He looks forward to having them as a neighbor and the vitality and the new energy that a museum attraction of this quality will bring. He liked the Bay Center but does not think that the venue is the proper one. The Fisherman's Wharf is an attraction audience and it should be used for financial visibility.

Kevin Westlye, Franciscan Restaurant, spoke to the Commission on several occasions in favor of Malrite's proposal. He thinks that SFATW meets the venue and meets the criteria in the RFP. He urged the Commission to follow staff's recommendation and support their moving to the next level of negotiations.

Paul Osmundson, Director of Planning & Development, clarified some of the questions and observations that some of the speakers raised. With regard to Tom Sargent's comments on non-profit versus for-profit, Port staff took that into consideration and made that clear in the staff's analysis and evaluation. With regard to Jay Wallace's comments regarding the proof of financing and the $100 million in equity, the Port's Finance Division has contacted the Bank of New York and confirmed that the funding is present and also indicated that they have a favorable relationship with the Malrite Company. The selection criteria was identified on page 42 of the RFP. The achievement of the development goals is the most important factor but five sub-criteria within the achievement of development goals include: (a) project concept in the development program which addresses the Port's development goals set forth in Section 4; (b) operational and management plan which addresses the Port's goals; (c) demonstration of financial feasibility of the proposed project including the project economics and timetable for development enabling the project to achieve the development goals; (d) creation of required and encouraged uses set forth in Section 4 in the RFP; (e) demonstrated understanding of local market and community issues. He clarified that financial feasibility is in fact one of the identified criteria within achievement of development goals.

With regard to a statement by one of the speakers that the SFATW project does not meet the goals of the project, Mr. Osmundson indicated that in the staff report, Port staff made it clear that in many respects, the Bay Center was more responsive to some of the themes. There is a part of the SFATW proposal that did not respond as well to the criteria but one cannot take a single aspect of the proposal and look at it in isolation. This was not done in the financial feasibility. Staff acknowledged that the conditions to address the concerns with the weaknesses in the proposal were included in the resolution.

With regard to the issue of cost and whether the numbers that SFATW is using for their development cost were appropriate in relationship to the number of attendees, he

consulted with Kirk Bennett, the project manager, along with representatives of Bay Area Economics who did the analysis. The cost per attendee comparison would ignore the fact that the building and pier are already in existence. That number is going to be lower than the cost if you look at the Rock & Roll Hall of Fame and simply took the total construction cost. There is a different mix of uses in SFATW than in The Bay Center. The Bay Center involves more square footage and a construction of a mezzanine which would in part account for the higher per attendee cost that the Bay Center would be reflecting than SFATW. He thanked both teams for their outstanding work.

Commissioner Lee commented that both are good proposals but this is a business development venture. The basic requirement is the funding. Without the funding, it would be difficult to support the project. He hoped that the Bay Center officials talk to Port staff to find another venue for their project and give them enough time to raise the funds. Based on the information presented, SFATW has enough funding and supports their proposal.

Commissioner Hardeman commented that the Commission does not have a pre-determined position on this project. He works for a union and everybody he hires is overpaid because he gives them what they want. He pays their attorneys higher than they ask for. He pays the consultants. If a guy does a printing project for him, as long as he does the best job he can, he does not worry about the cost. He feels the same way about Port staff. If you have the best people working for you and you pay them the best you possibly can, and you don't listen to them, something is wrong. Staff has done a very tough and difficult job but they came up with a recommendation. He supports their recommendation. With all due respect to all the politicians who supported the Bay Center, staff has convinced him that financing is the primary consideration and he supports the Malrite proposal.

Commissioner McCarthy indicated about 15 years, a very thorough planning process commenced in the northern waterfront. At the end of that, there was a vision to which an earlier speaker testified to as a fishery center but it was considered to be an attraction. It would be related to the bay, to the fishery industry but a very different kind of attraction than what exist at Fisherman's Wharf. She indicated at this point that neither one of the proposals fully meets the development goals. The Bay Center fully needs a development concept but there is no high-powered board of directors to drive the project and there is no funding to implement the project. The Malrite proposal has made an attempt to make the goals, but does not go far enough. The proposed attraction is not so different than other attractions at the wharf. If she had the votes, she would ask for an amendment that neither one of the proposals at this point in time, meet the goals and they both should be deemed unresponsive. Since she does not have the votes, she will vote against staff's recommendation. She thanked staff for all their hard work. She concluded that this has been a very difficult development to take on but the Port ended up with two different proposals.

Commissioner Brandon thanked Paul Osmundson and Kirk Bennett for working long and hard on this project. There were two good proposals albeit different proposals. She indicated that, personally, this has been one of the hardest decisions to make.

Commissioner McCarthy added that she disagreed with Jeff Heller's comments that nothing has happened to Pier 45. With community input and the Port, the fishing industry at Pier 45 was restored.

Mr. Osmundson clarified that on page 8 of the staff report it was identified that as a non-profit entity, the Bay Center would not need to achieve a financial return on their financial investment. The balancing of all the criteria is something that is difficult to do. With regard to one of the speaker's comments that the Commission direct staff to pursue the identification of the criteria that staff would use in identifying a site for non-profit center, Mr. Osmundson indicated that staff established the same criteria in this RFP for a non-profit and for-profit. The Commission made the decision to look at it in a balance fashion. If the Commission would like to pursue the other item, staff would be happy to look into it.

Chris Martin asked about the duration of the exclusive right to negotiate. Mr. Osmundson replied that on Page 39 of the RFP, the exclusive right to negotiate agreement would cover a 4-month period, with an option to extend. What the Commission is authorizing staff, pursuant to the resolution, is negotiate the terms of the exclusive right to negotiate. This is consistent with past actions of the Commission which authorized staff to seek to enter into exclusive right to negotiate with terms and conditions and the Commission do not routinely set time in the resolution for the time that it would take to enter into the exclusive right to negotiate.

Commissioner McCarthy asked if the time limit is 4 months. Mr. Osmundson replied that the actual negotiation period is 4 months with two additional 4-month period. Ms. Noreen Ambrose, Legal Counsel, clarified that the resolved clause in the resolution provides that the Commission is awarding the opportunity to enter into an exclusive right to negotiate to SFATW. As with the other request for proposals that the Port has considered and awarded, the Commission is essentially authorizing staff to negotiate and execute an exclusive right to negotiate. But there are terms in the option agreement that has to be worked out between the parties, there is always the prospect that someone will not sign the exclusive right to negotiate. Mr. Osmundson clarified that the conditions staff recommended, Mr. Milton Maltz agreed to. Staff anticipates to enter into the exclusive right to negotiate directly pursuant to the Commission's authorization. When they sign the exclusive right to negotiate, they have a 4-month term, with two 4-month options to extend.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. Three of the Commissioners were in favor; Commissioner McCarthy cast the dissenting vote. Resolution No. 00-46 was adopted by a vote of 3-1.

B. Approval of extension of Exclusive Negotiations for Mixed Use Development at Pier 24½. (Resolution No. 00-47) **THIS ITEM WAS DEFERRED TO THE NEXT MEETING.**

C. Status report on Port Planning & Development Projects. (Informational Item)

Mr. Paul Osmundson, Director of Planning & Development, indicated that this is the quarterly status report on all development projects. The report has been divided between Planning & Development and Facilities & Operations. Facilities & Operations report covers projects that the Port is primarily funding and managing. The Planning & Development report covers projects that are joint ventures between public/private entities.

Commissioner Hardeman thanked Mr. Osmundson for the informational report.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Commissioner Hardeman commented that in recognition of Steve Young's career and his contribution to the 49ers and the City, he requested staff to prepare a resolution congratulating Steve Young on his retirement and thanking him for his wonderful contributions to San Francisco.

11. ADJOURNMENT

The meeting was adjourned at 8 p.m.

SPECIAL JOINT HEARING

SAN FRANCISCO PORT COMMISSION
AND
BAY CONSERVATION & DEVELOPMENT COMMISSION

AT

1:00 P.M., THURSDAY, JUNE 15, 2000
PIER 35 @ BAY STREET & EMBARCADERO, S.F. CA 94111

AGENDA

DOCUMENTS DEPT.

JUN 1 3 2000

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1. ROLL CALL

2. PLANNING & DEVE LOPMENT

   A. Public Hearing regarding Proposed San Francisco Bay Plan Amendments. (Staff report provided to the Commission.)

3. NEW BUSINESS / PUBLIC COMMENT

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

4. ADJOURNMENT

S06152000

JUNE/JULY 2000
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
June 12	6:00 p.m.	Southern Waterfront Advisory Committee	Port Commission Room Ferry Building
June 13	4:00 p.m.	Port Commission	Cruise Ship Terminal Pier 35
June 14	4:00 p.m.	Pier 70 Advisory Group	CA College of Arts & Crafts 450 Irwin Street, S.F.
June 15	1:00 p.m.	Port/BCDC Commission Joint Hearing	Cruise Ship Terminal Pier 35
June 20	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
June 27	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
July 11	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
July 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission meeting will be held at the Passenger Lounge located on the second floor of Pier 35 at Bay Street & The Embarcadero. The pedestrian and vehicular entrance to Pier 35 is via the central overhead coiling doors from the east side of the Embarcadero. A marked pedestrian pathway and traffic lane lead to the Passenger Terminal accessible passenger loading area, parking area and entrance, located approximately half way into the Pier 35 shed structure.

Access to the second floor meeting area within the Passenger Terminal is via an accessible elevator at the east end, and via a ramp at the west end. Accessible sanitary facilities will be provided. Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Embarcadero/Fisherman's Wharf area are the 15, 32 and 42. For more information about MUNI accessible services, call 923-6142.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

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PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 12, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Proposed San Francisco Bay Plan Amendments

This Thursday the Port Commission will be conducting a Joint Public Hearing with the San Francisco Bay Conservation Commission to consider proposed amendments to the San Francisco Bay Plan.

The S.F. Bay Conservation and Development Commission's Revised Staff Report and Preliminary Recommendation dated June 5, 2000, and the proposed Bay Plan Amendment, which would modify the San Francisco Bay Plan and the San Francisco Waterfront Special Area Plan and Total Design Plan Piers 7 Through 24, have already been provided to you under separate cover. The amendments were originally prepared and distributed May 16, 2000, and then revised on June 2, 2000. As stated in the BCDC report, the June 2nd changes are not substantial and merely refine the May 16th amendments.

The Bay Plan Amendment is currently scheduled for possible action by the S.F. Bay Conservation and Development Commission at a Joint Meeting with the Port Commission on July 20, 2000.

Port staff are currently preparing conforming amendments to Port's Waterfront Land Use Plan and its Design & Access element. These are expected to be completed towards the end of the month and calendared for a Port Commission Public Hearing. These Waterfront Plan amendments are scheduled for possible action by the Port Commission at the July 20th Joint Meeting with the Bay Conservation and Development Commission.

Prepared by: Paul Osmundson, Director
Planning & Development

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SAN FRANCISCO
PORT COMMISSION

JUNE 15, 2000 MINUTES
OF THE SPECIAL MEETING

DOCUMENTS DEPT.

JUL - 7 2000

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MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

MINUTES OF THE SPECIAL JOINT HEARING

SAN FRANCISCO PORT COMMISSION
AND
BAY CONSERVATION & DEVELOPMENT COMMISSION

AT

1:00 P.M., THURSDAY, JUNE 15, 2000
PIER 35 @ BAY STREET & EMBARCADERO, S.F. CA 94111

(Minutes transcribed by a court reporter)

1. ROLL CALL

The meeting was called to order by Vice Chairman Angelo J. Siracusa at 1:10 p.m.

Present were: Acting Chairman Angelo J. Siracusa, Commissioners Bierman (represented by Alternate Freebairn-Smith), Bruzzone, Cale (represented by Alternate Smith,) Corbin, Cutler, Fong, Gioia, Gordon Kondylis, McHugh (represented by Alternate Carruthers), Magid, Gus Morrison, Rippey, Schwinn, Sweeney, Thayer (represented by Alternate W. Morrison), Waldeck, Wall and Warner.

Not Present were: County of Alameda (Chan), Department of Finance (Klass), Association of Bay Area Governments' Appointee (Leal), Speaker of the Assembly (Levine), Association of Bay Area Governments' Appointee (Lundstrom), Marin County (Rose), and Governor's Appointee (Tufts).

Present for the Port were Commissioners Kimberly Brandon, Denise McCarthy, Michael Hardeman and Pius Lee. Not Present: Brian McWilliams.

2. PLANNING & DEVE LOPMENT

A. Public Hearing regarding Proposed San Francisco Bay Plan Amendments.

Will Travis explained that today's public hearings marks the completion of four years of work by staff of the Port of San Francisco, Save the Bay and BCDC. Throughout the discussions, the staff of the State Lands Commission has also been consulted. Staff's objective has been to bring a plan that has the concurrence of the Port, BCDC, State Lands and the environmental community of the Bay Area.

In drafting the plan, staff tried to build on the lessons learned over the past thirty years, since the Port and BCDC first crafted a plan in the hope of revitalizing the San Francisco Waterfront. Strategies that have not worked well have been abandoned and those that have worked, were expanded. The Commission has adjusted its course to reflect the current conditions and future opportunities. As a result, the plan that is being presented today is, above all, balanced. It balances the interests of the many groups involved so that everybody gets most, but not always

all, of what they want. The work of the Joint Waterfront Committee, along with Save the Bay's participation, has ensured that all points of view were considered in developing the proposed plan. The plan represents compromise, but not at the expense of excellence. It calls on the Commission to exercise its authority to advance the health, safety or welfare of the public in the entire Bay Area. Now, this can be done only in extraordinary circumstances, and staff believes that the circumstances exist along the San Francisco northeastern waterfront. Allowing public trust uses on repaired or wholly reconstructed piers is balanced by the benefits the public will receive under the plan. And the plan is structured so that it is in each party's interest to follow through, because if one of the parties does not, the others won't get what is wanted out of the plan. The plan represents a new day in the relations between the Port, BCDC and the environmental community in the Bay Area, and we are confident that this partnership will result in the continued revitalization of San Francisco's waterfront and reconnecting the Bay to the city that shares the name with the Bay.

Mr. Travis introduced Emilio Cruz from the City and County of San Francisco to add his remarks.

Emilio Cruz, Director of Economic Development for the City and County of San Francisco stated that the last time he came before this Commission was several years ago requesting a permit on the Waterfront Transportation Projects, which included the light rail and promenade modifications to the Embarcadero. That project, like this one, was a very-discussed plan. It involved a lot of community input, and by the time it came to the Commission for final approval there were people who were opposed to it, there were people in favor, and ultimately the Commission made its final decision. With regard to this plan before the Commission today, as Mr. Travis indicated, it represents years of negotiations, and if nothing else was learned, being able to accomplish all of the collective goals by working together was a lesson well learned.

Mr. Cruz was heartened by the negotiation process because it was a very fruitful one, it created a lot of camaraderie, and really brought all the issues to the table. Mr. Cruz said he had the pleasure of getting involved only as of recently, in order to finalize the plan, and he simply wanted to come before the Commissions today to say that the city family is very comfortable with the negotiations and with the result that is before the Commission today. The Port staff and BCDC staff will go into the details of the proposal. Mr. Cruz stated he would the opportunity to work with the Commission further.

Paul Osmundson, Director of Planning and Development for the Port echoed Mr. Travis' remarks and agreed that this marks a new day in the relationship between the Port, BCDC and the environmental community in the Bay Area, and that the partnership will result in additional revitalization of the San Francisco waterfront. The Port believes that the mix of land uses allowed for in the proposed Special Area Plan will create the lively, successful waterfront environment that everyone agrees is possible and desirable. The Port's adoption of the Waterfront Land Use Plan and the Waterfront Design and Access Element set the stage for the Special Area Plan and the discussions that were held for the last few years. The Waterfront Plan is a bold vision for revitalizing this historic waterfront and

demonstrates that BCDC and the Port share many goals for waterfront redevelopment. Mr. Osmundson thanked Commissioner Bruzzone, Commissioner Bierman, Commissioner McCarthy and Chairman Tufts, who all served on the 27-member Waterfront Plan Advisory Board that came up with the Port's Waterfront Land Use Plan following Proposition H. That process involved many, many painstaking meetings with BCDC staff also assisting the Port with the design and access element. These plan amendments will assist the efforts in redeveloping the piers, but recognize that they can't occur without substantial benefits to the public. The Port is a trust grantee from the State of California and it is their responsibility, in partnership with BCDC and the State Lands Commission, to ensure that the waterfront is managed for the benefit of all the citizens of the State, particularly those in San Francisco and the Bay Area. That is why the implementation program was put together, to ensure that the public benefits that are called for in this plan, are provided. It is understood that there are many parties that are concerned about this program and members of the Port and BCDC staff will outline this in more detail. He pointed out that the Port is already moving ahead with the planning for one of the major plazas that's called for in this plan at the Brannan Street Wharf. The Port submitted an application for a grant to the Coastal Conservancy and is working with their staff to refine it. The Port will work aggressively to meet the accelerated target dates in the implementation schedule that is attached to the plan so that the public benefits are realized as soon as possible. The Port is committed to funding the improvements by setting aside approximately $1.5 million per year for the next 20 years, for a total commitment of $30 million, adjusted for inflation. The Port believes it will be successful in obtaining other public funds to achieve some of these public benefits just like some other projects that the Port worked with BCDC on, public open spaces in front of the Ferry Building that Emilio Cruz referenced. The Port has committed to a realistic budget and a funding commitment in order to carry out these public benefits independent of the grant funding. The Port will also amend the Waterfront Land Use Plan to be consistent to the policies that are contained in the proposed amendments to BCDC's Special Area Plan. Those amendments were drafted and the Port will be working with BCDC staff so that they can be similarly voted on at the July 20th meeting. In conclusion, Mr. Osmundson thanked everyone involved in the effort, the citizens, the staffs, the Commissions, because of the hard work that's been involved, and the dedication to the betterment of the San Francisco Waterfront. That is the mission of both the Port and BCDC. Joe LaClair of the BCDC staff and Diane Oshima of the Port staff will be making a presentation on the plan amendment.

Mr. LaClair presented a power point presentation to walk through the documents that were sent to the Commissioners to make sure that everyone has everything needed in order to review this project. First of all, on May 16th, a revised version of the Special Area Plan was sent out accompanied by a struck-through version of the Total Design Plan, because the staff proposes that the Commission rescind the Total Design Plan as part of these amendments, and a staff report which contained an analysis of the proposed amendments and an environmental assessment. On June 2nd, this was followed up with a refined version of the Special Area Plan, and there were two versions of that. One of them is a clean copy that didn't

indicate any of the proposed changes or differences between the May 16th version, and one that included underline and strike-through that were also shaded to show the changes or the differences between the May 16th and June 2nd versions of the plan. With that Mr. LaClair presented the proposed amendments to the San Francisco Bay Plan, the San Francisco Waterfront Special Area Plan, and San Francisco Waterfront Total Design Plan. These Special Area Plans will lead to the rebirth and continued revitalization of the San Francisco waterfront.

Mr. LaClair then began with a description or summary of the proposed amendments. The proposed amendments would permit uses consistent with the Public Trust Doctrine and any local legislative trust grant, and those uses would be spelled out in an approved Special Area Plan that would include provision for removal of fill in desirable locations, the construction of major public plazas, the expansion of waterfront-wide public access, and the preservation of historic resources. The map on the right shows how the public plazas have been located to take advantage of the water basins along the San Francisco waterfront. Two of the water basins already exist, between the Agriculture Building and Pier 24, and between Pier 9 and Pier 3. The water basins that would be created are between Piers 32 and Pier 38, and between Pier 27 and Pier 19. It is important to understand the changing needs of public uses along the San Francisco waterfront, and the particular circumstances that exist there. The growth of San Francisco as a world-class city is rooted in its origins as a port city, and one can see the evolution of the shoreline on the right over the years to respond to changing shipping technology -- the shift of cargo shipping down to the southern waterfront and over to the Port of Oakland is a result of the changing shipping technology, and the fact that the piers are no longer needed for break-bulk cargo shipping as they were intended. Early BCDC and City redevelopment plans for public-oriented uses along the waterfront recognize those changing use needs, and as a result, the Commission, in 1971, adopted the Bay Plan Replacement Fill Policy and followed that up, in concert with the City and Port of San Francisco, with the San Francisco Waterfront Special Area Plan. At the same time the City amended its general plan consistent with that by adopting the Northeastern Waterfront Plan. Subsequently, in 1980, the Commission adopted the Total Design Plan for the area of the Ferry Building between Piers 7 and 24. There were several successes that accrued from those plans, including the removal of the Embarcadero freeway and the reconstruction of Embarcadero that Emilio Cruz referred to as a landscaped promenade with transit and connected to existing and constructing new public open spaces, such as the ferry plaza that's nearing completion in front of the Ferry Building, and South Beach Park, and soon-to-be-constructed Rincon Park. Despite these successes, there have been a number of constraints to continued redevelopment of the waterfront, including regulatory constraints, downturns in the economic cycles, inland real estate development opportunities that out-competed more expensive waterfront development sites, and lack of political consensus as to what ought to happen on the San Francisco waterfront.

Diane Oshima stated that part of the political consensus issues was addressed by the Waterfront Land Use Plan that was adopted by the Port in response to Proposition H. Just to summarize the Waterfront Plan, after the extensive public process that Paul Osmundson described, it really promotes a reunification of the

City with the waterfront involving a mix of maritime, commercial, recreational uses pursuant to the Burton Act Public Trust, a continuous public access and open space network, and the preservation of the waterfront's historic urban form, and the historic structures along with it. After that six-year planning process to develop that plan, it was realized that in fact BCDC and the Port do share some very essential and fundamental objectives for the waterfront.

Mr. LaClair continued, stating that the current policies that govern development on the San Francisco Waterfront include the McAteer-Petris Act, the San Francisco Bay Plan, the San Francisco Waterfront Special Area Plan and Total Design Plan. However, through analysis it was learned that many of the policies in the law and in these plans can inhibit redevelopment of the piers. The water-oriented use requirement in the McAteer-Petris Act led to the approval of the very successful Pier 39 project, but people are somewhat concerned that it not be a waterfront developed with predominantly tourist-serving uses. The Bay Plan Replacement Fill Policy, which limits the number of, or the area of redeveloped piers that can be dedicated to private uses also is a constraint, as well as informal Attorney General opinions that have determined that significant repairs to piers would constitute Bay fill and, therefore, require compliance with these earlier two policies, and that the Special Area Plan policies for the northeastern waterfront between Pier 9 and Pier 35 are somewhat out of date and that the Total Design Plan policies are somewhat constrictive. Although, as pointed out, a number of the initiatives that were called for in the Total Design Plan have been achieved. Some of those that have not been achieved are no longer relevant. The proposed amendments to the San Francisco Bay Plan would allow uses consistent with the Public Trust Doctrine on land granted in trust to a public agency. These uses must be consistent with an adopted Special Area Plan approved by the Commission. The Special Area Plan should provide for extraordinary public benefits and could be approved if the Commission finds that the Special Area Plan is necessary to the health, safety and welfare of the public in the entire Bay Area. These are the public benefits that are included in the amendments that are being proposed today, including the Northeast Wharf Plaza, and the pier shed that would be removed to create open vistas of the Bay and create room for this new plaza. The Brannan Street Wharf Plaza would be achieved by, in part, removing piers to create an open water basin and constructing a small amount of pile-supported fill to support this shoreline park. The development of the piers would incorporate public access. The diagram shows in a conceptual way how perimeter public access and open spaces and the Bayside History Walk might be configured on the finger piers to integrate with the emerging waterfront-wide public access network.

Ms. Oshima stated that the plan also provides for historic preservation involving the nomination of the northeastern waterfront resources and some to the north up to Pier 45, as a National Register Historic District. One of the changes in the latest plan amendment versions that were circulated on June 2nd, includes the provision of that historic district nomination occurring by June 30th, 2002. This has been put on a schedule that hadn't been available on the May 16th version. The bulkhead buildings are the touchstone for that historic district, and, as part of the public access program that's promoted in this plan, there is the Bayside History Walk, which would be unique to San Francisco and offer a real attraction for the

Bay Area. It is a new concept to provide public access in and around these historic structures to showcase the waterfront's maritime heritage and to really take a look and appreciate the architecture of these historic structures. In one of the pictures it shows, and it maybe contrary to some people's sense of the bulkhead buildings, but there are openings that provide not only views to the Bay, but access into these historic structures for people to be able to look inside; that would be included in public access improvements for historic structures. The plan also has an implementation element which is key, which Paul Osmundson referred to briefly. It is a $30 million public benefits package to pay for the plazas and the pier removals. This would be funded by the Port, and wherever the Port will be able to get outside funding sources it would do that; there has been a great deal of success so far.

The implementation program also sets a schedule for when these plazas and pier removals must be completed. And the implementation program also includes things to streamline the development review process. There is a provision for early-coordinated BCDC and Port project review to help streamline the entitlement process so that developers can understand very early on what BCDC requirements will be. There are provisions for early BCDC sign-off on the review of the development program to ensure that it is consistent with the public trust. And the Port has also devised a provision to ensure that BCDC and the City and Port's waterfront design review process and the advisory boards for those design reviews are coordinated.

Mr. LaClair said that in consultation with the Attorney General's office and the State Lands Commission, findings have been developed in support of the proposed amendments. Staffs believe that San Francisco's waterfront is unique in the Bay Area and that this supports, in part, the proposed amendments, and that the piers that were built by the State of California still have value as public trust facilities, even if not for their original cargo shipping use. Over time the piers have become valuable historic resources that are intrinsic to the character and image that people have of the San Francisco waterfront, particularly residents of San Francisco, and they hold them very dear. Over 250,000 Bay Area residents come to work daily in San Francisco, many of them by transit with views of the waterfront. In addition, 4.9 million Bay Area residents make many trips to enjoy recreational, cultural, commercial and public activities in San Francisco, many of those on the waterfront. Public benefits included in these Special Area Plan amendments exceed those possible under BCDC's current permit authority, and would warrant the exercise by the Commission of its authority under the McAteer-Petris Act to find that the Bay Plan and Special Area Plan amendments are in the interest of the public health, safety and welfare of the public in the entire Bay Area.

Ms. Oshima advised that without these proposed plan amendments, there is a current regulatory situation that really emphasizes predominantly tourist-oriented uses on the redeveloped piers, and this is really not sufficient for the Port to be able to preserve the piers and revitalize the waterfront with public-oriented uses. Pier 24, which had a full shed and bulkhead on it, fell into disrepair, and it's one of the piers slated for removal under this plan, but it is emblematic of what could happen if the plans are not changed. The existing range of permitted uses was

constrained and there was no public consensus about uses on the waterfront. The Port wants to allow developments that are oriented to locals and the Bay Area community, not just tourists. But the range of permitted uses will not generate the revenue necessary to maintain and repair these piers to meet the seismic codes, and generate the revenue that is necessary to create the public access out onto the water that everybody seeks. The plan amendments themselves are essential to achieving this urban mix that makes San Francisco waterfront a vital Bay Area resource. It is the mix of the maritime uses, the preservation of historic structures, people-oriented activities, on a backdrop of a continuous public access network. Ms. Oshima concluded this presentation with a view of what San Francisco is today, and building on that to be able to bring more people out onto the water. Clearly the goal is to reconnect San Francisco and the Bay Area with the Bay and San Francisco with a mix of maritime uses which make the waterfront unique, make it intrinsically interesting even just to the casual passer-by, that provide a range of uses including things like this, which is not a water-oriented use, but clearly is a real resource for the entire Bay Area. Preservation of historic resources which provide framed, unique views and appreciation of the Bay. Ms. Oshima introduced Marc Holmes of Save the Bay

Vice Chairman Siracusa indicated that besides BCDC and the Port, the third partner in the development of the plan is Save San Francisco Bay Association.

Marc Holmes, representing Save the Bay gave a brief presentation, consisting of three points. The first being a little bit of a description about Save the Bay's involvement in this process. It commenced when the Port of San Francisco released its waterfront plan several years ago, and Save the Bay was quite alarmed at the proposed mix of uses in the waterfront plan and their lack of consistency with the San Francisco Bay Plan and the McAteer-Petris Act. Save the Bay wrote a letter at that time to the Port Commission and to BCDC expressing concern about this, and that something needed to be done to reconcile the difference in the Port's vision for the waterfront and what was allowable under the McAteer-Petris Act. Somewhat later than that, BCDC also wrote to the Port and communicated their concern about this same matter. Eventually, as has been described already, there were discussions convened between BCDC and the Port. Save the Bay got involved at that time because the Port and BCDC decided to invite Save the Bay to participate because of its criticism of the waterfront plan and because of their experience and deep familiarity with the McAteer-Petris Act and the Bay Plan. Save the Bay accepted that invitation to participate as advisors in what soon became known as negotiations, but started out as discussions, to explore the inconsistencies between the waterfront plan and the McAteer-Petris Act and Bay Plan. It's accurate to describe them as negotiations, but he emphasized that they do not supplant the public process. This was going on at a staff level with staff members of BCDC, staff members of the Port, and Mr. Holmes representing Save the Bay Association. Once this group had developed a recommendation based on attempts to resolve the inconsistencies between the plans that was presented to both Commissions in a joint meeting last December and since then, there have been not only the requisite public hearings that were required according to any Bay Plan amendment, but also additional joint Commissions convened public hearings to discuss particular matters of controversy. Those meetings were the

Joint BCDC-Port Commission meetings to take a look at the Northeast Waterfront Wharf Plaza and Historic Resources District as well. Now there is this public hearing process, in which not only have the regular solicitations been made as required under law, but the joint commissions have gone much further than that in convening these additional hearings to address these particularly controversial matters.

The second point Mr. Holmes made is that Save the Bay is in concurrence with the agreements and recommendations that have grown out of these negotiations and that are reflected in this draft Special Area Plan today. Save the Bay thinks they are good on balance for the Bay, that they provide more benefits for the public and the Bay than BCDC could achieve under its existing regulations and policies that apply to the San Francisco waterfront. Briefly, that is because, by replacing the 50% rule with this plan the Commission is allowed to target the pier removal program to specific areas that allow a waterfront-wide design to occur of open water basins that it would not otherwise be empowered to do. BCDC is able to require public parks along the waterfront in addition to public access that a project sponsor would be required to provide on piers, and so there are multiple public benefits here that go far beyond what BCDC would be able to achieve under the existing regulatory regime. And that generally is why Save the Bay supports this agreement.

The third point Mr. Holmes made is that the Commissioners have before them a Draft Special Area Plan. Staffs have been working diligently, including one 13-hour day two weeks ago in which the Attorney General and the staffs of BCDC and the Port and Save the Bay sat wordsmithing this document. Without in any way suggesting that Save the Bay have any problems in its support of this document, there are refinements yet to come. This is a public hearing, comments will be received from the public that will prompt the staffs to recommend changes, and as part of that public, Save the Bay will recommend changes to this. Save the Bay considers these at this point to be refinements, to remove ambiguity that exists in this document, because there are many places in the document, simply as a result of compound sentences and inadvertent language, resulting in some ambiguity in some of those things.

Before this document is signed off by BCDC the Commission needs to be assured, as will Save the Bay, that this is up to the standard that BCDC has established over the years in its Special Area Plans and Bay Plan amendments, because this is not something the Commission would want to change down the road, it's not something that's going to be easy to change down the road. It will require a super-majority of the Commission to change it, and one wants to make sure that nothing is done inadvertently to cause grief down the road. Mr. Holmes stated he wanted to prepare the Commission for those refinements and clarifications that will be forthcoming. He thanked the Port Commission and BCDC Commissioners for enabling their staffs and supporting their staffs in this long and somewhat, at sometimes questionable process about whether, it would actually come to an end; but this is good for the Port, good for BCDC, and good for the public.

Acting Chair Siracusa advised that before opening this up to a public hearing, he would ask any Commissioners to ask staff questions of clarification only, not editorial comments. There being no questions, the hearing was opened up to the public. After a brief discussion, it was decided to limit the speakers to a 3-minute time limit.

Public Comment. My name is Jennifer Clary, I'm the Waterfront Chair of San Francisco Tomorrow, and I'd like to thank you very much for sending me three copies that look exactly alike; I threw one of them away not realizing it was different. I would like to get someone to tell me what the legal requirements are, because I received the latest draft just nine days ago and it's not really sufficient time to make public comments. And I don't know what the Brown Act requirements for this Commission is, but I would like to get a clarification on that. Also, perhaps I threw away the copy that told me when the deadline for written comments was, but I couldn't find that, and I'd appreciate a clarification of that.

On the original draft, the one that you sent out May 16th, I have a few questions. On page 6, I was wondering why the summary of the McAteer-Petris Act was removed from the final copy; it seems like a very good item to have in and should be included. On page 7, bullet number three, effects on the Bay, where you have a policy about ensuring water quality, that's been eliminated and I'm not exactly sure why that was. On page 12, item one, general recommendations, existing height and bulk limits, that was deleted and I couldn't find references in the new draft to that. And while there is going to be an historic district here, you still do need some kind of height and bulk limits to govern new construction or extensions.

Also, I don't quite understand why any changes were made to the southern waterfront, because it was never our understanding that the Special Area Plan was going to be amended in the southern waterfront; there would be a lot of people who would be interested in commenting on that. And especially the deletion of the mention of the public boat launch on Pier 52. So I would ask that any changes encompassing the southern waterfront be removed and be subject to a different process. In the clean draft, dated June 2nd, I would ask you to look at page 6 under required public access. You say, "Other uses may extend to the platform edge subject to the following conditions." What other uses are we talking about? And why are we allowing other uses along 20% of the public way? You also, on item two, say, "Deviations of the public way from the platform edge should be limited to short distances." I'd ask you to quantify what you feel is short.

Page 30, top of the page, item G, "Reasonable provision for vehicle access to the Pier 27-29 portion of the project site should be included in any BCDC permit." This regards the open space at Pier 27 and you do not give us any idea about how that vehicle access is going to be created, you don't give us any picture of it in the map, and it also directly conflicts with your policy which says, "Parking on piers will be planned to minimize adverse impacts on public access." This is on page 41. And I would ask why you have conflicting policies in the same document. And I'll put the rest in writing if you'll give me a deadline. Thank you.

My name is Felicity Mason and I'm here to represent San Francisco Cruise Terminal LLC, the developers of a new cruise terminal at Piers 30-32. On behalf

of the SFCT I would like to express our strong support for the proposed amendments to the San Francisco Waterfront Special Area Plan and to congratulate both staffs on their efforts to date. We have been monitoring the progress of the negotiations and we feel that the amendments are essential to the success of the new cruise terminal, a project which will eventually translate into a wonderful asset for both the city and the San Francisco neighborhood. We would like to acknowledge that we have submitted our comments to the BCDC and to the Port under separate letter with points of clarification and reinforcement on a number of issues which we hope you will incorporate into the final document. I have brought along a number of copies of these today for you, I don't think I've got enough, but hopefully there'll be enough to go around. Finally, we would like to urge you to continue the momentum you have built with regard to these changes, and to move forward to a positive and speedy resolution and adoption of the Revised Special Area Plan. Thank you.

Flicka McGurrin from Pier 23 Café, member on the Northeast Waterfront Advisory Committee stated she often finds that we get bogged down in these meetings and just the bureaucracy of the whole situation. I'm here to just comment that I think that the maritime development of the waterfront is not dead, as we have always been taught in the last few years. I think that the development of the waterfront in the maritime sense is very, very important and should be aggressively pursued. Given the traffic issues and the state of our transit system we can encourage the ferry services. So my comment really is just to address the fact that we need to keep the piers occupied with maritime use and diversed with various maritime activities. And I certainly hope that we can encourage that. Thank you very much.

Bob Kastle commented that we already have a Pier 39 in San Francisco, it's located at the foot of Grant Avenue, we don't need a replica of it at Pier 45 at the foot of Taylor Street. We don't need a Disneyland by the Bay or a Sea World. Pier 39 has an aquarium, which is only second-rate, T-shirt shops galore, a noisy video arcade and eateries with bars abondanza, we don't need more. This is not Cleveland, it's not New York, we don't need horse-drawn carriages on Embarcadero sidewalks, or the aquatic park promenade.

Joe Wyman: Good afternoon, Commissioners, it's nice to be with you. I'm also a member of the Northeastern Waterfront Advisory Group, and also Manager of Planning and Development for Hornblower Cruises and Events. I want to speak about one issue this afternoon, and that has to do with the limitations placed on open water basins, in particular the open water basin between Pier 3 and 9. I want to ask respectively that we delete the words "transient" and "temporary" from that water basin, and that we allow a variety of vessels into that basin. In particular, Hornblower has submitted a permit application to reestablish its homeport at Pier 3 and Pier 1/2, and the limitations of the open water basin in that particular area would not allow us to do that. In fact, the limitations of the open water basin do not even allow the historic ferryboat Santa Rosa to remain where it is now. I think that the provisions within the open water basin should be revised to allow a variety of vessels to moor along the boundary of that particular basin, and that it is unique. That basin has a very extensive amount of public access in the center of the basin, whereas, your other open water basins do not allow you to do that. I

would also conclude by saying that Hornblower provides a unique form of public access to the Bay. We carry over about a million-five clients each year out on the San Francisco Bay, and while this Commission is concerned with meets and bounds description of public access along sidewalks, we provide views and vistas to people who cannot afford the expense of a regular operating vessel or maintaining that vessel on San Francisco Bay. I'd respectfully ask for your change in the open water basin provisions. And I have a set of written comments that I would like to submit for the record.

Jane Winslow: My name is Jane Winslow, and I'm speaking today based on my experience as a long-time member and current Co-chair of the San Francisco Recreation and Park Department Citizens Advisory Committee on Open Space, and as a San Francisco resident. I'm not speaking for the Committee, or for any of my clients. The Open Space Committee is comprised of 23 open space activists appointed for four terms by the Mayor and the Board of Supervisors. Every year children come to our meetings asking for us to provide more soccer fields and skateboard facilities. Parents come asking for swimming pools to be improved, and for better and safer gymnastic equipment. Others ask for clean, functioning restrooms, for the replacement of lights and benches, and for the acquisition of still-untouched natural areas in San Francisco. The open space budget for each of the last two years has been approximately $19 million, in addition to the Recreation and Park Department general fund budget. Still, with 200 neighborhood parks and Golden Gate Park to maintain, there has not been enough money to satisfactorily maintain the facilities we have. Even with the passage of recent park bonds there is still inadequate funding to acquire the new land and build new facilities to meet the public demand. A public/private partnership, such as the Port desires for Piers 27 to 31, provides an answer to many of San Francisco's recreation and funding needs. The Pier 27 shed is a unique, freestanding structure in good condition, something Rec and Park does not have the funds to build or maintain. With opportunity for water access and views there is high potential here for a project to benefit everyone in the Bay Area. As you know, many months of public input have gone into the development of the Draft Special Area Plan. I urge you to vote to accept the Port- and BCDC-recommended Bay Plan amendments so that San Francisco can proceed to produce a sports and recreation facility with open space that can be accessed and enjoyed by everyone. Thank you.

Ron Fell: When you began this process of trying to improve the state of the northeastern waterfront I didn't have gray hair. I'm a resident for the last 10 years right on the Embarcadero, living in Hills Plaza, and I've been very frustrated in the process which has led to now. I'm glad that we are nearing conclusion on some issues that will improve my neighborhood, it's where I live, I've lived for 10 years, and I'm looking forward to something happening south of the Ferry Building and north of the ballpark. I'm really excited about the cruise ship terminal, and hopefully one of the last hurdles in accomplishing the cruise ship terminal will take place with your concurrence next week when you do your voting. But I was really encouraged by the presentation that I saw today, I learned an awful lot about the process that's led to this. I thought some of you were just a bunch of cranky old people that were against progress, but now I'm

much more sympathetic to the process, the constraints that you have to deal with and everything. But I encourage you to pass all of these amendments as a package, I guess next week, or very soon, and let's get on with the revitalization of San Francisco. Because, as a taxpayer and someone who's lived in this neighborhood for the last 10 years, I've seen almost nothing happen. I've been particularly disgusted about Pier 24 and the fact that pieces keep floating out into the Bay and you have to send somebody out there, because these pieces of Pier 24 end up in the shipping channel. So I'm really looking forward to the destruction of Pier 24, and maybe 36, along the way, and the revitalization of San Francisco. And thank you very much for all your hard work. I realize none of you are getting paid to do this, and it's really exceptional to see that -- all your hard work finally coming to a conclusion. Thank you.

Garrett O'Doherty, President and owner of Pacific Marin Yachts, and also a member of the Northeast Waterfront Advisory Group. And good afternoon, Commissioners. I too, like everyone else in this room, are pleased to hear that we're almost at the end, and that the Port Commissioners and BCDC Commissioners and staffs are working together. There is one area that I would like to address. I am echoing Joe Wyman's earlier comments on item 3(b)(2) on page 40, on the limitations on the berthing in open water basins. There is one addition I would like to add to that, and that is the removal of the word "boundary" and "the reinstatement of piers surrounding" for the following reasons. There's been a lot of commentary here today about the revitalization of the historic waterfront. San Francisco's waterfront has been maritime-based, and the limitations as detailed in this draft seem to exclude one key element of the maritime business, and that's the excursion boats. I understand BCDC's intentions, and that is to provide viewing and access to the waterfront. But what the excursion companies provide is not only that access from view-based viewing, but also the ability for people to get out on the water and see the waterfront and see San Francisco from the waterfront. And if you haven't had the opportunity to ride on any vessel on the Bay, as it comes down the waterfront it is a dramatic view equal to or better than what you get from the land. You see the diversity of the working vessels, you see the tugboats, the ferries, the bar pilots, and the excursion vessels that our two companies operate, as well as other companies in the Bay Area. As the Bay Area continues to grow at dramatic pace, the demand on our companies, the excursion companies, is growing daily, and we service this demand by allowing businesses and residents, and their guests from out of town, to get on the water and also view the water and the tremendous views from our facilities. By limiting berthing for excursion companies to temporary and transients, you limit the growth of our companies and the future expansion. By limiting this growth you also limit our ability to employ more employees. Joe referenced a million and a half customers from Hornblower. Well, if you take Hornblower, Pacific Marine Yachts and other excursion companies the number is dramatically higher than that. You can imagine with those numbers the amount of employees that we do have. Additionally, with our ability limited in growth and expansion, there's going to be some residual effect to other effect to other maritime businesses. In a conversation this morning with Carl Hansen, who is the President of San Francisco Dry Dock, his immediate concern was the limitation put on other maritime-based businesses. So, in wrapping up, I would again like to

emphasize my objection or my request that that language be changed or removed, "temporary" and "transient" and allow home berthing for San Francisco-based companies, which also provides the opportunity for other excursion companies to bring people to the waterfront, and allows our residents and our business clients and their guests to get out on the water and see a very dramatic city. Thank you.

Michael Rogers: I'm the Port Captain and Director of Marine Operations with Pacific Marine Yachts, we're currently located a few hundred yards away to our southwest. And my main purpose here is to support Garret O'Doherty in his comments regarding the language in the plan as it is currently written. We're one of the few elements of the maritime industry which is experiencing any kind of growth. Also, if you take the numbers of passengers that we carry, in conjunction with Hornblower and the other companies, we far exceed any of the passenger terminals, and so consequently, I feel that we do have a valid voice here. Furthermore, I have directly under my control approximately 25 captains, first officers and deck hands; in addition, approximately a hundred service staff that actually work our boats. So, we also constitute a fairly large employer of individuals in this area too. We also, we need the opportunity to expand and we are concerned that the constraints placed up development in the open water basin, as the language is written, would affect our ability to expand. Thank you very much.

Tom Creedon: I'm President of Scoma's Restaurant and the Chair of the Fisherman's Wharf Waterfront Advisory Group. I have a letter which I had planned to have Mr. Travis to distribute, and since I was late I've asked Amy to distribute this. "At our last Fisherman's Wharf advisory group meeting on May 23rd, 2000, we received an informational briefing on the matter by Diane Oshima, Port Waterfront Planning Manager. After review of the draft plan and receiving Ms. Oshima's briefing, it became clear to the Fisherman's Wharf Advisory Group the proposed amendments would not address the planning issues for Fisherman's Wharf in a meaningful way. The amendments appear to be little more than an incomplete update of factual information about the area. While the planning policies remain virtually unchanged from the plan, the 1975 plan, we are aware that the focus of the plan amendments is on the northeastern waterfront from Pier 35 to China Basin. The proposed public plazas and pier removals in that area balance with our amendments to BCDC's land use regulations, including elimination of the 50% rule. At our March 21st, 2000, meeting Joe LaClair of your staff informed us that Fisherman's Wharf would be subject of a separate BCDC planning effort that would occur later. However, Mr. LaClair gave no specific time frame for this planning work. We have major questions about the 50% rule and its to Port property in Fisherman's Wharf. We have expressed these concerns previously to your staff. Given this, Fisherman's Wharf Waterfront Advisory Group believes it is premature to proceed with any amendments affecting Fisherman's Wharf, including those proposed for a major public plaza without resolving our questions, concerns about BCDC's use and public access policies. Although the Fisherman's Wharf Waterfront Advisory Group supports the concept of a public plaza in the area, such a public improvement can only succeed if it's coordinated with resolution of related important issues such as parking, circulation, permitted uses in the area. At our May 23rd, 2000, meeting

the Fisherman's Wharf Waterfront Advisory Group approved a motion requesting that BCDC defer any special area planning amendments applicable to Fisherman's Wharf, because the information needed to adequately update the policies for this area is not available. In addition, we request that the BCDC, in coordination with Port, establish a time frame for the completion of a separate plan amendment for Fisherman's Wharf area by the end of the year. I'll look forward to your early response and cooperative working together to address the waterfront planning needs of Fisherman's Wharf waterfront." Thank you very much.

James Haas: I am currently the Chair of the Rincon Point South Beach Citizens Advisory Committee, which covers the area from about Mission Street to China Basin. We also have been the official advisory committee for the ballpark. Our area is an example of achieving public access through development. Before the ballpark the area around China Basin was blocked from the public and full of derelict buildings. With the opening of the ballpark we have three public plazas plus a bay walk, and that has stimulated the development of the south shore of China Basin. This is becoming a wonderful area, not just during baseball games but every day of the year. Likewise, the document of the Gap Building is going to produce what we hope will be an extraordinary park between, in front of the Gap Building, and it's another example of the interrelationship between achieving BCDC goals and development. Our committee has endorsed the cruise terminal at 30-32, both in concept and the particular developer. Certainly in concept we did it, I can't say unanimously, but with one dissenting vote. And that I think is somewhat of a strong statement in itself, considering the nature of the project. But under your current rules that cruise terminal simply could not be built. It needs these amendments, at least to get to a point where it has the potential of being built. And so they need to be adopted at the earliest instance. I am pleased about the larger discussion of the Brannan Street Wharf, which is of interests to us, and we do appreciate the Port's staff's following up on our statements of interest in that by submitting an application for planning money so that work can be done on that sooner than later. And we appreciate the language in these regulations which call for the participation of the south beach community in the planning of the Brannan Street Wharf. So I think this is a big step forward for our area, and it needs to be implemented as soon as possible. Let me make three additional small points. The first one is, relates to Pier 24. It is a derelict pier, it's falling into the Bay. You can't wait five years to tear it down, something needs to be done right away. Secondly, you make reference to transit in the area. We are, at south beach, are working on a Muni line that goes from CalTrain to Fisherman's Wharf; the Muni is not particularly excited about it, we could use all the help we can get from you for this E-line. And, lastly, I want to finish up with what Emilio Cruz was saying, he forgot to invite you tomorrow to the dedication ceremony for the Ferry Building open space and roadway. It's at 11:30 at the Ferry Building, and that caps off God knows how many years of work. Thank you.

Jeffrey Leibovitz: I'm a member of the Rincon Point South Beach CAC and the Port's Advisory Committee for the new James R. Herman Cruise Terminal. This Commission, along Save the Bay, have created a lasting legacy for generations to come. Your watchful support and guidance have created two new public plazas

of open space at the Giant's new ballpark along China Basin Channel. The new Lefty O'Doul Plaza is a wonderful space to gaze and admire the historic Third Street Bridge, and a new port walk leading to the Seal Plaza and a new ferry terminal landing opens up wonderful new views of San Francisco Bay. This Commission, along with public input, have allowed the San Francisco Bay waterfront to be developed in a way that has benefited all of us at this point. The new amendments to the San Francisco Special Area Plan will allow this kind of positive development to continue. The new amendments have been worked out in cooperation with BCDC, the Port, Save the Bay and the public. In particular, the amendments to Pier 30-32, Brannan Street Wharf, are of great importance to your community. The amendments will allow the development of the new James R. Herman Cruise Terminal and a new waterfront park that is much needed in this fast-growing community. I ask you to approve the draft amendments as presented and allow the Port and the people of San Francisco to continue make our waterfront a truly wonderful public amenity for all of us to enjoy. As a footnote, on page 39, paragraph 10, there's one item covering general advertisement, and I would ask that you change the word "should" to "shall" in terms of allowing general advertisement on the waterfront. Thank you. That is, not allowing general advertisement. Thank you.

Amy Neches: I'm on the staff of the Redevelopment Agency, I'm the Senior Project Manager for the Rincon Point-South Beach and the Mission Bay North and South Project Areas. In 1981, following years of planning, which many of the people in this room were involved in, the Redevelopment Agency and the Board of Supervisors adopted the Rincon Point-South Beach Redevelopment Plan and started the process of implementing a plan to eliminate blight in the South Beach area. The plan was based on the realistic and flexible approach to development that recognized and embraced the changes in land use, industry, and regional economics of the Bay Area at that time. Importantly, though, the first step that the agency took was a massive investment in public improvements on the waterfront for the enjoyment of the community and the City. That was in the form of the 700-slip South Beach marina that took the place of several removed piers. Today that marina is full, we have a waiting list that extends to two years. We've had nearly a billion dollars of private investment in the South Beach community, we have over 2400 new housing units, we have public improvements, we have parks, including the soon-to-be-developed Rincon Park, as well as South Beach Park, we have commercial space, and we have what I think is certainly a vibrant community that shows that this is a successful approach to development. I'm here on behalf of the agency to endorse the proposed amendments to the Special Area Plan. We think that that shows -- that this plan shows a similar progressive approach to waterfront development. It combines an important and well-placed emphasis on public improvements and public access that is leavened with the realistic, flexible approach to development that -- the development that helps create these public benefits. As Jeffrey and Jim and others have talked about, I know that the South Beach community is especially excited about the Brannan Street Wharf. It's really part of that neighborhood. We think it'll be a wonderful asset for the community. I know that the neighborhood has great enthusiasm for the process, for the plan in front of you, and for the public

improvements, and the private development that will ensue from this plan. We urge your support as soon as possible. Thank you.

Anne Halsted: I'm speaking to you today on behalf of the Northeast Waterfront Advisory Group, from which you've already heard several comments. So, our committee met last week to review the new revised draft which we had just received, and our comments probably are not as complete or as detailed as they might have been if we had a little more time. But, in summary, we were struck by some of the limitations in the open water basin uses, because we really want to encourage access of people in boats of all sorts to our waterfront, as has been mentioned several times before. Page 23 defines the uses in open water basins and we recommend that you delete the words "transient" or "temporary" in that definition of, on page 23. And perhaps at Pier 23 and 27, as well as between Piers 3 and 9, that limitations on berthing might be diminished so that we can encourage more boats rather than fewer to come in to our shore. One of the real issues is ADA access, and if the berthing facilities are not accommodating the disabled that there really can be no berthing, so that there is some fill required for ADA access. So that is an important matter that should be looked at in the final review of this draft. We had strong feelings among our committee that we want maritime, commercial and maritime transportation uses to dominate our waterfront. We want people, including those who do not have boats of their own, and including those who are disabled, to be able to get to the water physically and visually as much as possible. So I urge that you consider those approaches when you're looking at the final revision. Another area of conflict with our original thoughts on the plaza at Pier 27-29 was identified following our meeting, and I would encourage you to look at this for your consideration. Page 36, paragraph F, this paragraph allows temporary public seating and dining in a maximum of 20% of the public access area if certain criteria are met. The second of the listed criteria that this seating serve to enliven and enhance the public's opportunities to enjoy the waterfront is the main reason for it. However, the first criterion seems totally inappropriate, that such seating occur only when the development project has already exhausted the space within the project for such use. That seems to not really represent what we are trying to achieve. So it was our intent the edges of the plaza be enlivened by adjacent uses, not that those uses be used only when nothing else was possible. We suggest you look at that criterion and try to tweak that a bit. In summary, we really want this framework agreement and the revision to the Special Area Plan to move ahead. We are very anxious that it work to promote public access to our waterfront, maritime uses are primary, recreational uses are key to people's use of this area. San Francisco needs recreational space and programs for people. Please do everything you can to enhance our access to our bay, promote our protection of that resource by making it part of our lives. If people can not only see it but also enjoy it by eating near it, catching a water taxi, touring a ship, they will love it more. As we understand this process, BCDC will, in any case, retain the responsibility to review every new project coming forward in the future. Don't make this plan so restrictive that we discourage projects which would otherwise encourage use of our bay. Thank you.

Bill Barnes: I'm a former member of the San Francisco Youth Commission and a current member of the Open Space Park Renovation Citizen's Advisory

Committee of the Recreation and Park Department, although I'm speaking on my own behalf. I was please to see that amount of open space created in this plan, and I think that it really reflects the increased population density in this area. And so the staffs are to be commended on the increased open space. At the same time there is this existing problem, which you all know, which is that lots of young people use the Embarcadero primarily for skateboarding, but for other uses. So, in creating an open space, and in thinking about how that looks, in reading through the Special Area Plan, there weren't specific conversations around how adolescents and young adults would use the Embarcadero. There were some conversations around about tot lots, which seemed great, some conversations around other uses. But some specific recreation uses about our younger San Franciscans, particularly those that are not commercial in nature, are desperately needed. I recall that we had an expo down here with Pacific News Service and the new California media where we brought young people who were engaged in all sorts of new communication, and it was a really wonderful and awesome event. But one of the things I learned is that, given the rising rents and given what folks earn, what lots of younger San Franciscans don't have a lot of disposable income for commercial recreation. And so as you renew your commitment to public access to open spaces, and as you renew your commitment to revitalizing the waterfront, it's important that there are public access opportunities for younger San Franciscans, and that those are available free of charge. On the same point, I actually wanted to echo what Ann Halsted said about the plaza and the seating. One of the things that really shocked me when I moved here from New York City three or four years ago was that there aren't the same kind of open plazas and open opportunities for younger people with regard to poetry and all sorts of things that would happen in New York civic plazas. And so to the degree that seating would only be allowed when all the other options had been used seems a bit restrictive. And thank you again. I know this is a tedious process and I am grateful for your work. Thanks.

Dale Hess: I'm the Executive Vice President of the San Francisco Convention and Visitors Bureau. I'm here to express our general support for the amended plan, and primarily as it pertains to allowing the Port to move ahead with its plans to redevelop Piers 30 and 32 in order to have a mixed-use development that will support a new cruise terminal. This building (Pier 35) is an embarrassment to the City as a gateway to one of the world's great cities, and we definitely need to move ahead with the new cruise terminal. But we understand that a cruise terminal itself isn't financially feasible, and so it's a mixed-use development that will allow that. But maybe even more importantly, the mixed-use development of that area will give access and bring life to that area the nearly 300 other days of the year when there's no cruise activity. So we urge that you move ahead with the plan to allow the Port to provide the development of the Bryant Street Pier Project.

Joe Boss: I'm a resident of San Francisco, I have a boat at South Beach Harbor, and I'm also a member of the Pier 70 CAC. I'm very encouraged by the efforts that BCDC and the Port staffs have put into modifying the Bay Plan in the sensible manner that will allow development of the waterfront to move forward. There are many details and conditions that have been mentioned by other speakers

that do need to be examined, and the language does need to be tightened up in those areas. As long as those few issues are addressed, I strongly support the ultimate passage of the Special Area Plan. I do look forward to the continued vibrancy of the Port properties so that it can continue to be self-sustaining and grow, and create more public access, and just a whole lot more viability for the entire waterfront. Thank you.

Mary Ann Miller, San Francisco Tomorrow. I feel like a survivor. I've actually tried to read all of this. And the versions that came out May the 16th, with the accompanying staff report, are still important. And, you know, you get the new one, and you get the next-newest one, and then I suppose before July the 20th we'll have another one. It's really difficult for a member of the public who truly wants to read it -- maybe I'm the only one, everybody's been giving you praise today, and I give you praise because I think in general it's going well, but I'm not sure, you know, because I'm reading it, I'm actually reading it. And so I've been looking around to try to find areas in the May 16th publication that are still there in the June 2nd version. And in the June 2nd version there are two versions, there's the clean copy and there's the shaded copy. Now, I know -- I mean, I'm not usually this way, I'm not really a detail person, my socks are not all in a row in my drawers and my scarves here and, you know, my hats all here and the shoes, really I'm kind of messy. But this is messier than I can grasp. And I'm saying -- and what does it do to me? I want to trust all these fine people, we've been working with them for years too. But it's impossible for a generalized member -- and there aren't any here, these are all people who have been with you for years -- but a new body, you know, somebody who comes in and wants to comment. And everyone loves this waterfront, but it is absolutely become more and more opaque to me. And I have to say that, also, my eight years working as a city planner, and then my years since then working as an urban design planner, as a consultant rather more generally, if you can't understand something you might fight it, you might be against it. Couldn't it be clearer? Couldn't we really see all the parts of the staff report separately? There's an environmental assessment buried in that staff report. How many of you knew that? That equals EIR amendment. It's the old Waterfront Land Use Plan, it's EIR, now amended with a new number of pages called environmental assessment. Now, that didn't even come through to me and I'm a, you know, a wonk on this kind of thing. So if there was an appeal period, you know, for that member of the public, when did it begin and when does it end; is it still open? You're about to close public comment now -- forever? Hey, what's going to be published between now and July the 20th? Won't we be able to comment on that? I do not think you should close public comment. I think you should receive letters, I think some of the letters will be congratulatory, as this has been; some of them will take you through page by page. But I do believe that for this to be a usable document in the future it has to be much clearer. The clean is not clean, and the clean copy mixes policies with criteria. Criteria are the things you people are going to be using over the years to evaluate project, project, project, project, and they're mixed in with policies. So, a policy is a policy; a criterion is how you evaluate these big-deal projects that are going to be coming down to you with everybody wanting you to approve them, and do it fast. So, please, do not close public comment now. Do permit a written period, as well, to be extended, you know,

perhaps even beyond the next hearing. And I don't know if you need another hearing or not. You've got to make outreach to other people and ask them to please read -- I don't know which one -- the last one? It's very difficult is all I have to say. Thank you.

Acting Chair Siracusa said that the Commission will discuss that process after all the speakers have been heard.

Jane Morrison: Good morning or afternoon, whichever it is. Thank you very much for listening to all of us. I'm President of San Francisco Tomorrow, you're hearing a lot from us today, and also was on the Waterfront Plan Advisory Board for five years and have a keen interest in the Port. When I came here from Oklahoma in 1949 my husband and I promptly went down to the waterfront hoping to see the ships. At that point there were little fences between the pier sheds and we had to peek through to see ships, but they were still there, and we're sorry they're there now. But regardless of that, the priorities should still be for water-related uses and public access. There are good things in the new plan, but the devils is in the details, and especially in how it is carried out. I'm loathe to give up any BCDC powers to control public access and control use of the Bay. The public still regards the waterfront as public land for public benefit. Not for private commercial use as voted by the Port Commission for Pier 45. Specifically, I'm concerned about the section on public access for interim uses, there are no details, no guidelines and no restrictions. I know when we were doing the Waterfront Plan that the report frequently said if feasible, and I said that just means you can just do it regardless of one way or the other if it's feasible, if it's not feasible you can say it's not feasible. So I think there should be restrictions and guidelines there. Otherwise, the Port is encouraged to agree to long-term interim uses for commercial development that might not be in the best public interest. Thank you very much.

Commissioner Bruzzone stated there have been two other members from San Francisco Tomorrow speaking today and wanted to know if they were all speaking for San Francisco Tomorrow.

Ms. Morrison indicated she was speaking as an individual, which is permitted.

Commissioner Bruzzone asked if she was speaking as an individual and Ms. Morrison indicated she was speaking as an individual, but happened to be President of San Francisco Tomorrow, and also was on the Waterfront Plan Advisory Board. She did not know if the other two members were also speaking as individuals as the organization has thousands of members, so we could bring them all down.

Commissioner Bruzzone referred to the importance of San Francisco Tomorrow in this process and asked if the Commission should consider all three comments as the position and concerns of San Francisco Tomorrow.

Ms. Morrison explained that her group is concerned about public access and open space, and that that was the message all three were trying to give the Commission.

Charles Chase: I'm the Executive Director of San Francisco Architectural Heritage. I'd like to thank you, the Commissioners, and the staffs of the joint commissions, for allowing us to participate in this process. And we know that it

has been long and hard for all of you. There are three items that we would like to bring to your attention this afternoon as it relates to the amendments that are before you. We have been particularly concerned about the schedule established for the designation of the National Register District, and we would certainly welcome and recommend to you that that date be tightened up. In terms of the success, I think, of recognizing historic preservation as a part of the development process, we would like to thank you very much for including the preservation of Pier 17 rather than its elimination as a part of the process to remove Bay fill. And then finally, on Pier 23, our concern is that there is no specific amount of that pier removal. The designation within the document establishes a portion of, rather than a specific amount, and we think as this moves forward to final detailing through your staff and your further review that these need to be clarified more specifically. Thank you very much.

Redmond Kernan: I'm a member of the SPUR Waterfront Committee. We have followed this process and we support it. We urge your adoption of the plan amendments. It's been a long, long process. SPUR supported the transfer of the Port from the State to the City and has followed the Special Area Plan when it was first adopted, and urges that you adopt these amendments. I would note that you have some very excellent staff. I've attended numerous, numerous, numerous meetings. Joe LaClair, and on the Portside Diane Oshima, are very, very skilled, aware of your sensitivities and the public's sensitivities; where they weren't sensitized they became sensitized. And I think there's a lot of details but I would listen to them very carefully in managing those details. And I would not over-manage the design process. The plans, projects will come back to you in the future, you will see the plans, so the final configuration of open spaces, accesses, driveways to get in to projects, et cetera, will come back to you. I think you're value judgments can be conveyed through the RFQ process, and through your instructions to your staff. So, with that, I would urge your adoption, keep the momentum, and let's get the plan adopted.

Tom Marnane, representing the Bay Planning Coalition: I'll be the only one here. Mr. Chairman, Commissioners, the plan's been long in the making. We believe that BCDC and the Port should be proud of the effort which we believe addresses the interests and concerns of everybody. We believe the amendment accommodates and enhances the plan, and the Bay Planning Coalition recommends approval of Bay Plan Amendment No. 7-99.

Acting Chair Siracusa referred to Ms. Clary's comments about only having nine days to read the report and wondered if there was anything that staff and the AG heard today that would cause them to recommend not closing the public hearing yet.

Mr. Travis explained that BCDC is required to put out the staff report 30 days before the public hearing, and that was done. The subsequent reports that were put out are amplifying and refining the original report; staff does not see anything that is substantively different. He suggested that if the Commission closed the public hearing today to keep the comment period for written comments open, perhaps to the end of the month. That would still then provide staff with an opportunity to do what needs to be done next, which is to take all of those public

comments and respond to them in writing in the final recommendation which staff would bring to the Commission for action on July 20th. So, closing the public hearing today would allow staff to move forward; keeping the comment period open for written comments would address the concerns that people have had that they got some of the refinement material several days ago and haven't been able to sort out why there are different versions, and why one is a cross-out and underline, which is what it is, to show the changes that have been made, and then the other one is a document which says "after you've gone through all that here's what's left over."

Acting Chair Siracusa referred to Marc Holmes' statement about fine-tuning. If staff should decide, by virtue of what staff heard today or what might be received in writing, to make any substantive changes, would that cause the Commission to have to reopen the hearing.

Mr. Travis thought that if there are substantive changes, this should be reopened for a public hearing, even if the public hearing is closed today. Mr. Travis further commented that what he heard today have been really constructive comments, a lot of support for the general thrust and the direction that was taken, but some very, very helpful suggestions for some further refinements.

ACTION: Commissioner Smith moved, seconded by Commissioner Rippey to close the public hearing. The motion carried.

Commissioner Corbin stated she received a letter from the San Francisco Maritime National Historic Park mentioning several changes that look to be minor, but to clear up the description of their facility. She asked if there would be any problem with taking their suggestions and incorporating them in the final document.

Mr. LaClair replied that generally speaking, no. Staff has avoided making many changes in the Fisherman's Wharf area recognizing the interest of the community to take on that entire section of the plan in greater detail in the future. And there's some sensitivity as heard in Mr. Creedon's comments, and he does speak for a number of folks in Fisherman's Wharf who are concerned about making changes, and to that end the nature of changes that were made were really limited, although most of this person's comments go directly to factual matters.

Commissioner Corbin said she did not disagree with any of the comments today about leaving any changes to that area to a future time. These seem to be corrections of misstatements of who they are and that should be corrected.

Mr. LaClair replied that some of the corrections that this person made are incorrect, so staff wouldn't make some of them were they to accept them at all.

Mr. Travis suggested that after the close of the public hearing, there's now an opportunity for the Commission to discuss, offer direction to staff. There is no reason then to take this up on July 6th at all. He asked the Commission for their reaction, their direction today. The public comment period should be kept open, staff will take all of that information and be bringing it back to both Commissions, on July 20th for action.

Commissioner Kondylis referred to page 10 under Pier 45, the first column, it says "A limited number of private boats should be permitted adjacent to Pier 45 as part of any residential statement of the pier." And yet the main policy stated on page 6 says "no residential usage should be permitted on new or replacement fill." Does this policy allow residential on a pier.

Mr. LaClair replied that it does, because there was a footnote as well in that area of the plan that refers to uncertainty surrounding whether repair of Pier 45 would create, would be considered fill in the Bay. But if Pier 45 were not repaired, substantially it would have been treated as if it were in the shoreline band under the '75 draft of the Special Area Plan; and, as a result, residential use could have been permitted on it because the center of that pier is solid earth and only the perimeter is pile-supported. So as long as the portions of the solid earth supported the residential uses -- at the time in '75 when it was drafted it was contemplated that residential uses could be permitted. Now it is expected that under the Public Trust Doctrine that would not happen. So there are no contemplated projects for residential use there. There's been a substantial investment in Pier 45 to redevelop it for fish processing uses and we expect those uses will continue in the future. The Port Commission yesterday acted to enter into exclusive negotiations for a commercial/recreation use at the one remaining shed, so it's unlikely that residential uses would be developed there.

Commissioner Carruthers made the following comments: I was particularly interested in the comments about the Fisherman's Wharf area. It is unclear to me quite what the process to deal with that would be. Will the Fisherman's Wharf area receive more attention so that we will have another subsequent amendment later in the year? Or would we reserve action on the Fisherman's Wharf area at this time and then look at it separately?

Mr. LaClair replied that it was staff's intention to insert only one policy affecting the Fisherman's Wharf area to acknowledge the Commission's commitment to take up a community planning process as soon as these Special Area Plan amendments were completed. Staff felt that it was the most efficient use of both the community's and BCDC and Port staff time to take that up as a separate matter, as opposed to trying to complete it and in a sense holding these amendments in abeyance until this was done. It would come back to the Commission later as a subsequent amendment to the Special Area Plan.

Commissioner Carruthers wanted to know if the text of the amendment that would be adopted into the plan was on page 6 of the staff report of May 16th.

Mr. LaClair explained that the amendment to the Bay Plan that the Commission is considering is in a two-page staff report that was issued with the June 2nd draft of the plan. The staff recommendation accompanying the June 2nd draft included revised language for the Bay Plan Amendment refining the language that was included in the staff report that was mailed on May 16th.

Commissioner Carruthers said he was trying to have a clear picture in his mind how the decision would be made as to whether a proposed use is consistent with the public trust. He asked if his understanding was correct that the proponent would bring a proposal to the Port, the Port would bring an application for a

BCDC permit, BCDC would consider whether it seems to be a public trust activity as proposed, and then it would be sent to the State Lands Commission for their review and comment and final decision.

Mr. LaClair agreed this was very close. What staff intends to do is to consult early with the State Lands Commission at the point that the use program is nailed down enough to be entering into the environmental review stage, so there may not be a BCDC permit application at that point. But that when the use program is solidified enough so that it's ready to enter the environmental review process, there may or may not be a formal BCDC permit application before you at that time. Staff would then begin consulting with State Lands and then bring the State Lands' advice and the BCDC staff's recommendation to the Commission for a determination that would give the Port and the developer the assurance that they need, that their use program is consistent with the trust. It would not result in a permit.

Commissioner Carruthers next wanted to know what is the public access to this process of making that determination and are there hearings, when does the public get to hear or comment on what those deliberations are.

Mr. Travis referred to the term "application." The way staff envisions things happen is either the Port on its own initiative will say, "You know, we'd really like to encourage the following type of development on this pier," and they would describe a certain mix of uses and that is what everybody would take a look at and see if it meet with the public trust. Or it could be that a developer would come to the Port and say, "Look, I have this idea for something," and that would be advanced, and then the Port would request proposals for that sort of thing, which the developer and probably other developers would come forth. But it is looking at that mix of uses and to see if that is consistent with the public trust. The Port staff has considerable experience in exercising the public trust, but it is something where you would get really the issue of are the mix of uses consistent with the public trust. Then the RFP would go out, and what BCDC's interest is at that point is, does it provide an adequate mix of public access, is the public access consistent. And the Commission would get an early review of that, and then the whole application would be subject to public scrutiny, both at the Port and at BCDC.

Commissioner Carruthers recapped that what he heard Will Travis saying is that BCDC is not particularly involved in the discussion as to whether or not it's appropriate for a public, but more of a discussion between the Port and the State Lands Commission.

Mr. Travis explained that it would be a discussion between the Port, State Lands and BCDC staff, and then BCDC staff's recommendation would be subject to a public hearing in front of BCDC.

Commissioner Carruthers asked it if would be likely that this concept for procedure is going to be written down somewhere so that there'll be some sort of ongoing understanding as how it works.

Mr. LaClair advised that on page 41 it's already described there.

Commissioner Carruthers had one last question regarding the agreement that is being entered into, this procedure and this concept that is being adopted and asked if something should happen, if experience over the years somehow demonstrates that for whatever really legitimate public reasons that there is some need to refine or alter somehow this concept, what would be the procedure for considering that and would it be another plan amendment.

Mr. LaClair agreed that the Commission would go through the same Bay Plan amendment process as was gone through for this. In other words, staff would bring forward a brief descriptive notice, the Commission would adopt that. Any amendments to the Special Area Plan typically are not adopted unless they have the concurrence of the Port and the City of San Francisco, so any changes that staff would bring forward, together with the Port, would go through the descriptive notice process a publicly reviewed staff report and so on.

Mr. Travis advised that the Commission can build into the process some opportunity for testing and refinement. As was explained, there now is an adopted plan for the whole of the waterfront. Staff is recommending changes to the plan for a portion of that waterfront, retaining the existing policies for the Fisherman's Wharf area, laying some recommendations there but not policies. It is staff's intention to take advantage of the momentum that is moving now and start working very aggressively with the community and with the Port on the Fisherman's Wharf area. That would result in a subsequent plan amendment for that area. It would also give the Commission the opportunity to look at the whole of the waterfront again, having tested out what staff hopes the Commission would be adopting in the next month, and if there are further refinements, they can be made at that time. Mr. Travis said he envisioned and hoped that within another year he'd be back before the Commission with the Fisherman's Wharf area.

Commissioner Carruthers asked if along that line, there were other areas of the Bay front outside of San Francisco where public lands are involved, public agencies where this approach might be requested.

Mr. Travis recalled that the Commission had a similar effort engaged with the Port of Oakland and the City of Oakland on the Oakland waterfront which was put on hold because staff has put all of its efforts into this plan. Staff will be re-engaging with the City and the Port of Oakland on that effort. Whether that will culminate in a Special Area Plan or another implementation mechanism is hard to say at this point.

Commissioner Wall expressed some concerns about this, having served on the committee, and thought the staff report accurately and well demonstrates the competing aspects that exist between the Port and its interest in generating revenue because it has to maintain a lot of facilities. He could also see the competing aspect of BCDC's job to protect the Bay, and recognizes that these are competing and that there has been a great deal of compromise going on here, and he commended the people for reaching that compromise. The Commission heard a lot about the reason why it should immediately go forward with this is for public access, to connect the open spaces by trails, et cetera. His concern, and this is something for the Port Commissioners and the Port staff to consider, is with regard to the implementation of the public access. When we're talking about $30

million to be spent over a 20-year period seems inadequate in what we're trying to accomplish here. There should be an acceleration of the public access, because right now the public is being told "we're going to give you public access but you're going to have to wait to see it all for 20 years until we get the money for you". That doesn't just fall into place at this point in time. One of the speakers mentioned the Gap Building that's being currently constructed, and it's a nice, beautiful building, but the Gap people are paying for that park across the street. The Port Commission Director, when going out for requests for proposals, can build into those proposals that some of these public access funds are advanced by the developers up front so that we can accomplish the open space that we've been talking about, and people for the past five years have been working on in this. He hoped that this concern will be addressed by the staffs before coming back to the next meeting on the 20 years' period of time for implementation.

The other concern Commissioner Wall had was directed towards BCDC. I understand that BCDC must make a special finding, to allow a filling for public trust uses, and in order to adopt this plan it will be necessary that there is a special finding to implement this plan that's been worked out between the Port and BCDC and Save the Bay. Commissioner Wall indicated he was accepting the fact that will override many of the underlying provisions possibly of the McAteer-Petris Act so that if the Commission does make that special finding, that special finding would be limited only to the adoption of this Special Area Plan as it applies to the Port of San Francisco, in that area, and not the whole Bay, so that in the future, Commissioners will not be faced with the issue that, "well, you can go ahead and do this because you have adopted a fill for public trust purposes." If the Commission is going to adopt that special finding, and the Attorney General has indicated that needs to be done, the Commission should limit it only to the adoption of this plan as it pertains to the City and County of San Francisco waterfront area. Commissioner Wall hoped that his two comments will be considered.

Acting Chair Siracusa stated that at the last meeting he had asked Paul Osmundson about the possibility of bonding the funding stream coming from the Port of San Francisco. As long as that one-and-a-half-million-dollar a year commitment is not tied to the project progress, it would seem as though that's a fairly predictable stream and is highly bondable. And while there may be some deterioration based upon interest payments, it would just seem as though you could start with a $30 million bond at the beginning and really accelerate some of those public improvements. He asked for comments on that at the next meeting.

Mr. Osmundson stated he was going to introduce into the record and ask that it be handed out, an exhibit prepared for the subcommittee, on some of the open spaces that were being talked about today. The Rincon Park, which is to be constructed right in front of the Gap's new headquarters building, is a pier removal project that was started in 1978. It's a $19 million project that involved removing five piers, realigning the Embarcadero roadway, constructing the light rail transit line, and now finally soliciting contributions from the private developer to build the park. So the Port based its schedule on an outside date and on its experience in the past with assembling land and doing pier removal and open space. Regarding the question of bonding, this was discussed with the Port's finance manager and the

Port has existing outstanding bonded indebtedness that would not prevent the Port from doing additional bonding, but makes it very difficult, because the Port pledged all of its revenues from existing facilities first and foremost to retire those bonds. Secondly, the question of issuing a revenue bond for essentially the non-revenue-producing facilities is something that was done in the past. The Port built its container terminals with revenue bonds and they don't produce revenue, and that's a financial strategy that is not something that the Port is strongly interested in pursuing.

Acting Chair Siracusa commented that he would like to get some independent comment from bond counsel, creating of a nonprofit corporation that could sell the bonds. There may be other vehicles there.

Mr. Osmundson said the Port would be happy to have bond counsel advice.

Commissioner Warner said he was having trouble reconciling the fact that it appears that this Special Area Plan is giving BCDC a role in determining whether a use is consistent with the Public Trust Doctrine. When looking at the general policies in this draft, they appear to be more aligned with what traditionally was BCDC's statutory role, which is McAteer-Petris and Bay Plan policies. He asked why does the implementation plan include any authority for BCDC in regard to determining compliance with the Public Trust Doctrine; and if it does, if that's what is intended, what is BCDC's statutory authority to have any role in determining concurrence with the Public Trust Doctrine.

Mr. Travis explained that the Commission has that authority now and exercises it all the time. The McAteer-Petris Act is a refinement of the Public Trust Doctrine for San Francisco Bay, so BCDC is exercising the authority that it has all the time.

Commissioner Warner recapped that BCDC is exercising authority under McAteer-Petris when it reviews consistency with the Public Trust Doctrine.

Mr. Travis agreed with that statement and explained that it is not changing any of the Commission's underlying authority. It is just that now when the Commission exercises that authority, it limits the reuse of a pier for water-oriented use, and that is consistent with the McAteer-Petris Act and consistent with the public trust.

Commissioner Warner suggested that it might be better in that implementation section to refer to the section of the McAteer-Petris Act and state that BCDC is exercising and concurring.

Mr. Travis thought it would be very wise to make that abundantly clear.

Commissioner Gordon echoed the comments that have been made about the 20-year expenditure plan for public access. It seems like a long period of time, particularly in terms of what is being tried to achieve here. Secondly, he echoed Commissioner Wall's comments about the public trust finding, actually the amendment that would need to be made to the Bay Plan regarding the public trust uses and fill. He cautioned to think very, very careful about how this is worded and to make sure that it is very specific to this particular geographic area. Commissioner Carruthers asked earlier are there other cases in the Bay where there is publicly owned property that is juxtaposed with public trust lands, and the

San Francisco airport is so situated. There are some reasons for the Commission to be very careful and very cautious as it looks at this particular language not setting precedent for BCDC in other areas.

Commissioner Bruzzone hoped that the staffs will carefully document the comments that were made today, separating those that are general concerns or subjective thoughts versus specific items, for example, the boat ramp at Pier 52 is a good point. He would like to have every comment of that nature to be responded to at the next public hearing.

Secondly, Commissioner Bruzzone had expected that the implementation schedule was going to be more easily amended than the super majority that was referred to today. In other words, here you have a Bay Plan policy, but this implementation schedule is something unusual for a Bay Plan clause, and it seems like the Commission should be able to amend it and the sequencing should be able to be adjusted by the Port if they want to come in and make adjustments and shorten schedules, or change one project for another. He thought that was discussed, but it is not in here, and it should be.

Finally, Commissioner Bruzzone agreed with Commissioner Wall, but in a different way. Not that the public access is so delayed, but the fact that all of the front-end commercial development occurs in the first four years, and BCDC ought to be creating a leverage, a way to hold the Port accountable for giving early approval of these massive projects which will generate, hopefully, good revenue. It was a give and take, and it was discussed that the Commission could approve one project, could obtain some open space, public access, then there would be the next project, and then there would be that give and take. In looking at it now, the fact that all of the commercial is given to the Port without the possibility maybe five, six, seven years later of saying "well, the cruise terminal failed, they closed down the container terminal, we're broke, we can't complete our schedule of public access." Where is BCDC's ability, since it will actually be placing this implementation schedule into the Bay Plan, to hold the Port accountable for the Commission suspending its normal policies, if they can't afford the public access 18 years later.

Mr. LaClair explained that the first lever for the Commission would be that BCDC would stop issuing permits for further development of public trust uses on piers on the San Francisco waterfront. As Paul Osmundson mentioned, it does take a considerable amount of time to amass the funds needed to build these public plazas, and to aggressively pursue grants, but if the Port fails to get grants and relies on the funding that accrues through the Port set-aside of revenues, it will take the time that's indicated in the schedule, recognizing that many Commissioners have expressed concern about the length of that schedule.

Commissioner Bruzzone stated that the Northeast Wharf Plaza is a $10 million project, but the Pier 23 shed removal and even the 15-17 is $2 million and wondered why there couldn't be a balance at least of some of the smaller projects in some way to create that kind of accountability. He could see that more clearly now, especially after Commissioner Wall brought up his concern from a different point of view.

Mr. Osmundson advised that the sequencing and the timing is a function of the contribution of $1.5 million a year. So with a couple of exceptions, the Port has an ability to move things around, or the Commission has an ability to ask the Port to do things somewhat earlier or later. But understanding that the cumulative total of the fund, if you move some of the smaller things up, and keep the funding stream the same, it pushes the date at which you've accumulated the funds for the larger projects out further. The only concern that Mr. Osmundson would want to express with Pier 23 was that it's currently being operated as a bonded warehouse for the foreign trade zone, and the Port was suggesting that some time be provided for the Port to undertake steps necessary to provide an alternate location for the foreign trade zone bonded warehouse in the southern waterfront. There was some testimony from the ILWU at a previous hearing about wanting to hang on to existing piers.

Commissioner Bruzzone remembered talking about this, but asked what other mechanisms there were, if the Port can't move the schedule around, to ensure that the plan is carried out. Something was mentioned about stopping all projects with a cease and desist. What practical tools does BCDC have other than what is in this implementation schedule.

Mr. Travis pointed out that it is important to notice that this is an illustrative implementation schedule. What the Commission is really adopting is the text, and what the text says is when BCDC issues a permit for this the Port will do that. It allows, therefore, a juggling of the schedule of the projects that come through. This is an illustration based on some assumptions as to when various projects would be approved, and that's why staff was careful to make it an illustration. Under the agreements that are in the document, if the Port does not honor its agreements then BCDC's agreements to allow non-water-oriented uses on piers ends. So then it is back to business as usual, back to the current status quo. So it is in the Port's best interest, if it wants the Commission to have the flexibility to authorize non-water-oriented uses on piers, to make sure that money continues to flow.

Mr. Osmundson stated that if the Port fails to perform and fails to contribute to the public access funds, then BCDC could choose to not honor the Special Area Plan and not grant a permit for one of the two major projects. Emilio Cruz, in speaking to the Committee, described it as a mutual dance, so that if the Commission feel likes it is getting too far in front of -- and the Port is not living up to its end of the bargain, BCDC can not grant permits pursuant to the plan or amend the Special Area Plan. The Port is highly motivated to comply with the provisions of this agreement, because if it doesn't then BCDC has the authority to rescind the plan and not grant the permits for the public trust uses on the piers.

Commissioner Kondylis reflected that when the City of Vallejo applied for the permit for Wilson Avenue one of the arguments she made was that they had violated or failed to take out permits on other projects, and she was told, well, we never hold up projects because they failed to do something somewhere else. Why is this different, is it because it's a Special Area Plan within one area.

Mr. LaClair stated it is different, because it's a linked set of policy changes. Staff structured the policy changes in this way so that if the public benefits don't accrue

for the public, there's no rationale for supporting the change of the Commission's rules, and, as a result, it is essential that these two things march forward together. If they don't march forward together, then we stop marching and stop issuing permits for projects.

Commissioner Kondylis thought this should be very clearly stated.

Commissioner Corbin mentioned she had some concern that there is so much talk about costs in this implementation schedule. In a similar case in Richmond, the requirement was put it in, and nobody cared what it costs, and when the estimates came in higher, that was just too bad. She posed: What if we get 10 years out and the estimates are much greater than they are now, and the 1.5 million per year isn't going to do it? Are you still going to make them do every one of these things? I'd like to be assured of that.

Mr. LaClair explained that one of the things staff built into the policy is a requirement that the funds be inflated by the ENR, Engineering News Record, costs, construction costs index so that staff would index the fund to those costs, and as the costs of construction would increase then so would the amount.

Commissioner Corbin asked if staff was tying these projects to what the cost is today, or what staff thinks the inflated value will be as of today, or is staff just saying build these things.

Mr. LaClair explained that staff is saying that the budget is based on staff's best guess of what these things cost today, and then staff has inserted a requirement for the inflation factor of the Engineering News Records, which means they will still have to build these improvements, but there's a limit on the amount of money that the Port is required to tithe itself based on the 30 million and the inflation factor, and that would put BCDC in a position of having to go out and find additional funding.

Commissioner Corbin asked if BCDC was going to have to find the funds.

Mr. LaClair replied the Port and BCDC would do so.

Acting Chair Siracusa thought the concern is that if in fact staff has underestimated the cost and the Port's obligation is limited that there needs to be some other money and staff has not identified where it would come from.

Commissioner Corbin said she was almost hearing that BCDC's going to have to raise it and she did not think that was ever done before.

Mr. Osmundson advised that the Port has an absolute commitment to perform constructing the open spaces regardless of the cost. He stated that he has introduced into the record the preliminary cost estimates which are, admittedly, very conceptual. The reason the Port went and applied for the grant to the Coastal Conservancy right now, the reason the Port spent the last year with the Northeast Waterfront Advisory Committee, and the reason why Mr. Osmundson introduced the earlier documentation on the time that it takes, is the Port knows that the costs could increase, and is committed to building high-quality open space that meets the expectations of San Franciscans' regardless of the costs. The Port believes that these are sufficient, if they're not then the Port will find the funding necessary to build the plazas at the quality level that was agreed on.

Mr. Travis stated that Commissioner Corbin has raised the same issue, the parallels or the lack of parallels between the way City of Richmond is being treated, or was treated, and what's happening in San Francisco. Staff has listened very carefully to what she has said, and he thought there is a little bit of a misunderstanding. In the case of Richmond, Richmond invested a lot of money in redevelopment of its waterfront and put in a lot of public access. There is a parallel here, and it's what's happening along the Embarcadero. There is almost a billion dollars already invested there. So there is some parallel there. Then, what public access was required at Richmond was required at the same time development took place along the waterfront. The same thing will happen here. There will be public access as conditions when there is work on piers. The difference is that in San Francisco, there is an additional obligation that the Port is willing to take on, and that is they will provide these two new large public parks, they will fund them, and they then are getting a little bit more flexibility on fill on existing piers than Richmond had. But otherwise BCDC is treating San Francisco the same onerous way that it has treated Richmond, and managed to even squeeze a little bit more out of them.

MOTION: Commissioner Kondylis moved, seconded by Commissioner Corbin to adjourn into a committee. The motion carried.

Acting Chair Siracusa recapped that before July 20th the Commission will have a revised document and the response to the comments, and staff would like comments by the end of this month.

The meeting was adjourned at 4:00 p.m.

SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING
3:00 P.M., TUESDAY, JUNE 27, 2000
FERRY BUILDING, SUITE 3100, S.F. 94111

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AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS / PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Metropolis Partners: David Agger

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Pier 24.

b. Property: Rincon Park Restaurants at Folsom and Embarcadero
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurants at Folsom and Embarcadero.

c. Property: Port Property located at Pier 94-96
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Vulcan Materials: Bob Sears
*BP Aggregates: John Chambers

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 94-96.

d. Property: Pier 45, Shed A
Person Negotiating:
Port of San Francisco: Kirk Bennett, Waterfront Development Project Manager
*San Francisco at the Wharf: Jim Reuben

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to provide Port staff with direction in negotiating the exclusive right to negotiate for the Pier 45, Shed A project.

e. Property: Port Property located at Pier 30-32
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Red's Java House: Steve Riley

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Red's Java House.

f. Property: Port Property located at Pier 9
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Pacific Marine Dining Yachts: Garrett O'Doherty

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Pacific Marine Dining Yachts located at Broadway and Embarcadero.

g. Property: Pier 23
Person Negotiating:

Port of San Francisco: Terry Picon, Real Estate Director & Peter Dailey, Maritime Director
*Big C Traders: Claude Jacques

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations between the Port and Big C Traders regarding Port property located at the Embarcadero and Green Street.

h. Property: Pier 96
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Operation USA/Hope: Neil Frame

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations between the Port and Operation USA/Hope regarding Port property located at Pier 96.

i. Property: Pier 33
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Kira Mikazon: Kira Mikazon

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations between the Port and Kira Mikazon regarding Port property located at the Embarcadero and Bay Street.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED & EXISTING LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___As Defendant _X_As Plaintiff

c. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case):
_X_ As Defendant ___ As Plaintiff

- Corona vs. CCSF, et. al., Superior Court No. 303-734

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. ADJOURNMENT

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SAN FRANCISCO
PORT COMMISSION

JUNE 27, 2000 MINUTES
OF THE SPECIAL MEETING

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MEMBERS, PORT COMMISSION

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HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, JUNE 27, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:03 p.m. The following Commissioners were present: Kimberly Brandon, Denise McCarthy, Michael Hardeman and Lee. Commissioner McWilliams was not present.

2. NEW BUSINESS / PUBLIC COMMENT

Dolph Rempp indicated that the sailing ship is a true symbol of the San Francisco waterfront and it is the last and the only ship of its kind. It was recently brought to his attention that Ms. Neches of the San Francisco Redevelopment Agency would be submitting an amended construction loan application to California Department of Boating and Waterways in an amount not to exceed $7.4 million for improvements to South Beach Park and Harbor. In outlining the planned improvements to the South Beach Harbor Expansion and Pier 40, Ms. Neches indicated that the deteriorating Dolph P. Rempp sailing ship restaurant will be removed from the water's edge, structural repairs will be made to the substructure and the public waterfront promenade, seating, lighting and decorative paving will be completed. Ms. Neches proposed to use the loan funds to destroy the Dolph Rempp Sailing Ship. Mr. Rempp wrote a letter to Cal Boating expressing his concerns. He asked for the Commission's advice on how to proceed with the preservation of the sailing ship. He asked if the Commission could put in writing the fact that the sailing ship has been at its present location for 25 years.

Commissioner Brandon indicated that this is the first time this item has been brought to the Commission's attention and is not aware of any plans to bulldoze the ship. She directed the Executive Director to look into the matter and report back to the Commission.

3. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

At 3:12 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Metropolis Partners: David Agger

b. Property: Rincon Park Restaurants at Folsom and Embarcadero
Person Negotiating:
Port of San Francisco: Paul Osmundson, Director of Planning & Development
*Nice Ventures Inc.: Reed Hearon

c. Property: Port Property located at Pier 94-96
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Vulcan Materials: Bob Sears
*BP Aggregates: John Chambers

d. Property: Pier 45, Shed A
Person Negotiating:
Port of San Francisco: Kirk Bennett, Waterfront Development Project Manager
*San Francisco at the Wharf: Jim Reuben

e. Property: Port Property located at Pier 30-32
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Red's Java House: Steve Riley

f. Property: Port Property located at Pier 9
Person Negotiating:
Port of San Francisco: Peter Dailey, Maritime Director
*Pacific Marine Dining Yachts: Garrett O'Doherty

g. Property: Pier 23
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director & Peter Dailey, Maritime Director
*Big C Traders: Claude Jacques

h. Property: Pier 96
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Operation USA/Hope: Neil Frame

i. Property: Pier 33
Person Negotiating:
Port of San Francisco: Terry Picon, Real Estate Director
*Kira Mikazon: Kira Mikazon

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED & EXISTING LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___As Defendant _X_As Plaintiff

c. Discuss existing litigation matter pursuant to subdivision (a) of the California Government Code Section 54956.9 (one case):
_X_ As Defendant ___ As Plaintiff

- Corona vs. CCSF, et. al., Superior Court No. 303-734

4. RECONVENE IN OPEN SESSION

At 4:15 p.m., Commissioners Brandon, McCarthy, Hardeman and Lee returned from executive session and convened in open session.

ACTION: Commissioner McCarthy moved approval not to disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 4:15 p.m.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 27, 2000
FERRY BUILDING, SUITE 3100, S.F. 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - June 13, 2000 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT CALENDAR**

5. **MARITIME**

   A. Approval of Marine Terminal and Use Agreement with British Pacific Aggregates, Ltd. for use of Pier 94. (Resolution No. 00-54) (Staff report provided to the Commission.) NOTE: "This action is within the scope of the Waterfront Land Use Plan Program EIR, certified on January 9, 1997, which EIR adequately described the project."

   B. Approval of Marine Terminal and Use Agreement with Vulcan Materials for use of Pier 94. (Resolution No. 00-55) (Staff report provided to the Commission.) NOTE: "This action is within the scope of the Waterfront Land Use Plan Program EIR, certified in January 9, 1997, which EIR adequately described the project." **THIS ITEM HAS BEEN TAKEN OFF CALENDAR.**

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

8. **PLANNING & DEVELOPMENT**

   A. Approval of extension of Exclusive Negotiations for Mixed-Use Development at Pier 24½. (Resolution No. 00-47) (Staff report provided to the Commission.)

   B. Resolution authorizing the Executive Director to apply for, accept and expend up to $85,000 from the Bay Area Air Quality Management District's Transportation Fund for Clean Air for the installation of bicycle parking facilities at several Port facilities. (Resolution No. 00-53) (Staff report provided to the Commission.)

9. **FINANCE & ADMINISTRATION**

10. **NEW BUSINESS / PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. **ADJOURNMENT**

Staff Reports: Explanatory Documents available to the public are posted on the Port's web site at www.sfport.com.

JUNE/JULY 2000

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
June 20	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
June 27	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
June 28	4:00 p.m.	Pier 70 Advisory Group	CA College of Arts & Crafts 450 Irwin Street, S.F.
June 29	3:30 p.m.	Maritime Commerce Advisory Committee	Port Commission Room Ferry Building
July 11	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
July 20	1:00 p.m.	Port/BCDC Commission Joint Hearing	TO BE DETERMINED
July 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at www.sfport.com

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm). There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 21, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

SUBJECT: APPROVAL OF THE BRITISH PACIFIC AGGREGATES LIMITED 5-YEAR MARINE TERMINAL AGREEMENT

DIRECTOR'S RECOMMENDATION: APPROVE THE 5-YEAR MARINE TERMINAL AGREEMENT WITH **BRITISH PACIFIC AGGREGATES LIMITED AT PIER 94.**

Port staff has been negotiating with British Pacific Aggregates Limited ("BP") for a five-year Marine Terminal Agreement for use of Pier 94 to discharge and store bulk shipments of aggregates. BP is a British Columbia company that intends to bring aggregates by vessel for discharge at Pier 94. The aggregates will not be processed at the premises but will be hauled where needed from the premises by truck in San Francisco and the Bay Area. The agreement includes the following terms:

Material provisions of the agreement include the following: (i) five year term, commencing July 1, 2000 with the right to extend the agreement for four five-year periods if tenant has performed under the agreement to satisfaction of Port and the parties are able to agree on acceptable terms; (ii) preferential but non-exclusive use of the berth at Pier 94; (iii) exclusive use of approximately 261,360 square feet of paved land located at Pier 94 with a two year option to expand into an additional 174,280 square feet of paved land at Pier 94; (iv) non-exclusive easement right(s) for placement of hopper system and truck access; (v) land-lease rate of $0.18 per sq.ft. per month and dockage and wharfage rates covering vessel berthing and cargo discharge, with the provision that wharfage revenue up to the amount

of the monthly base rent will be credited towards the amount of the rent. Any changes in use must be approved by the Port, which approval may be given or withheld by the Port in its sole discretion.

The provisions in the Agreement include air quality and hydrology and water quality mitigation measures from the Waterfront Land Use Plan FEIR to minimize impacts from particulates and storm water runoff. Another separate provision has been included that allows the Port to impose improvement measures as may be identified in the future to further reduce air quality impacts, which were identified as an significant adverse impact in the Waterfront Plan FEIR. Finally, a third provision is included requiring the tenant to make good faith efforts to explore and use low-emission or alternative low-emission fuels or emerging technologies to reduce diesel emissions and particulates.

A clause has been included that states Tenant shall make good faith efforts to first use local truckers for all trucking opportunities associated with Tenant's operations at the Premises, and that Tenant agrees that not less than thirty percent of all materials hauled onto or off of the Premises shall be hauled on or in trucks operated by local truckers. Local truckers are those truckers that are certified as "Local Business Enterprise" pursuant to the City's Minority /Women/Local Business Utilization Ordinance.

Estimated minimum annual revenue for the British Pacific agreement will be $580,000 from wharfage, dockage and land-lease rates.

A copy of the agreement is on file with the Commission Secretary.

Prepared by: Jill Simpson, Maritime Marketing Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-54

WHEREAS, British Pacific Aggregates Limited desires to enter into a Marine Terminal Lease Agreement with the Port, for use of Port's marine terminal facilities; and

WHEREAS, said Agreement grants British Pacific Aggregates Limited reduced dockage and wharfage charges for the utilization of Pier 94 as their regularly scheduled Northern California port of call; and

WHEREAS, said Agreement grants British Pacific Aggregates Limited exclusive use of 261,360 square feet of paved land at Pier 94 at $.18 per square foot with a two-year option for an additional 174,280 square feet of paved land at Pier 94 and is on such additional terms as are described in the memorandum to Port Commissioners dated June 21, 200 for Item 5A on the Port Commission's June 27, 2000 regular meeting; and

WHEREAS, said Agreement requires British Pacific Aggregates Limited to make good faith efforts to use Local Truckers for all trucking opportunities associated with their operations and requires that not less than thirty percent of all materials hauled onto or off of the Premises shall be by Local Truckers; and

WHEREAS, a copy of the proposed agreement is on file with the Port Commission Secretary in the file for this Item 5A; and

WHEREAS, the proposed marine terminal agreement for British Pacific Aggregates Limited is consistent with the Waterfront Land Use Plan adopted by the Port Commission on June 24, 1997, which contains an overall goal to promote maritime activities at the Port, and specific objectives for the Southern Waterfront to maximize utilization of the existing terminal facilities; and

WHEREAS, the Waterfront Land Use Plan Final Environmental Impact Report (FEIR), certified on January 9, 1997, analyzed the environmental setting, impacts, mitigation measures and alternatives as required under the California Environmental Quality Act (CEQA), for the Waterfront Land Use Plan; and

WHEREAS, on June 24, 1997, by Resolution 97-50, the Port Commission adopted findings pursuant to the California Environmental Quality Act (CEQA) and State CEQA Guidelines with respect to the environmental mitigation measures identified in the FEIR, the project alternatives, the potential significant environmental effects of the Plan, as approved, and a statement

of overriding considerations supporting the decision to approve the Waterfront Land Use Plan, which findings are incorporated in this Resolution by reference; and

WHEREAS, the proposed marine terminal agreement for British Pacific is consistent with increased cargo shipping uses assumed in Alternative B of the Waterfront Land Use Plan FEIR; and

WHEREAS, the proposed cargo shipping use, when considered together with previous projects approved in the southern waterfront area under the Waterfront Land Use Plan, is within the scope of projects assumed in Alternative B of the Waterfront Land Use Plan FEIR; and

WHEREAS, the estimated transportation impacts (truck trips) associated with the expected level of aggregate shipping activity expected would amount to less than 10% of the truck trips projected in the waterfront Land Use Plan FEIR and considered in the transportation impacts analysis, and therefore would not constitute a new significant impact; and

WHEREAS, the Air Quality mitigation measures in the Waterfront Land Use Plan FEIR have been included as provisions to the proposed marine terminal agreement to minimize impacts from particulates; and

WHEREAS, the proposed marine terminal agreement also includes a provision allowing the Port to future additional measures that during the lease term are identified, found to be feasible and applied to other future projects with similar sources of emissions, to further reduce air quality emissions from the lease activities; and

WHEREAS, the proposed marine terminal agreement includes diesel emission controls calling for good faith efforts to use low-emission or alternative low-emission fuels for equipment located at the leased premises, and to explore new technologies currently under development to reduce particulate emissions; now therefore be it

RESOLVED, That the Port Commission finds that no new information of substantial importance has become available; no modification to the project, as analyzed in the Waterfront Land Use Plan FEIR has occurred that would require important revisions to the FEIR; no substantial changes have occurred with respect tot he circumstances under which the project is undertaken, since the Planning Commission certified the FEIR; the proposed marine terminal agreement is within the scope of the Project analyzed in the FEIR and no new environmental documentation is requirc; and be it further

RESOLVED, that based on the foregoing, the Port Commission hereby finds that: (1) the proposed project is within the scope of the project analyzed in the Waterfront Land Use Plan FEIR ("FEIR") and does not raise any important new issues about the significant effects on the environment not previously considered in the FEIR; (2) no changes are proposed or have occurred in the project analyzed in the FEIR that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (3) no substantial changes have occurred with respect to the circumstances under which the project is being undertaken that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; and (4) no new information of substantial importance has become available since the FEIR was certified indicating that: (a) the Waterfront Land Use Plan or the proposed project will have one or more significant effects not discussed in the FEIR; (b) significant effects examined in the FEIR would be substantially more severe; (c) mitigation or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the FEIR would substantially reduce one or more significant effects on the environmental; and therefore there is no need to prepare an addendum or supplement to the FEIR or recirculate the FEIR, and be it further

RESOLVED, that the San Francisco Port Commission approves the Marine Terminal Agreement with British Pacific Aggregates Limited, in substantially the form of which is on file with the Secretary of the Port Commission for this agenda item; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director (i) to enter into the Agreement, (ii) to make any necessary refinements to the Agreement as are approved by the City Attorney and do not materially increase the liability or obligation of the Port; and (iii) to take all such further actions as are necessary to put the Agreement into effect.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 27, 2000.

_____

Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 22, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Extension of Exclusive Negotiations for Mixed Use Development at Pier 24½

DIRECTOR'S RECOMMENDATION: APPROVE EXTENSION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH METROPOLIS PARTNERS, INC/POLATNICK PROPERTIES

BACKGROUND

Pier 24 Annex is located adjacent to and just north of Pier 26 and contains approximately 26,000 square feet of enclosed space. The Site fronts on The Embarcadero and has sweeping views of the Bay, the Bay Bridge, the Ferry Building, Treasure Island, the East Bay and The Embarcadero. The building is vacant and has not been occupied for several years.

In October 1998, the Port issued a Request for Proposals ("RFP") for the development and operation of a mixed-use development (the "Development") at Pier 24 Annex (the "Site"). In this RFP, the Port solicited proposals from qualified respondents ("Respondents") that would be consistent with the Port's *Waterfront Land Use Plan* which lists the following uses or a combination thereof as acceptable for the Site: Assembly and entertainment, museum, retail (including restaurant), water taxi and public access and open space.

On April 13, 1999 by Resolution No. 99-24, the Port Commission authorized Exclusive Negotiations with Metropolis Partners Inc. and Polatnick Properties ("Metropolis") and a negotiating fee of $25,000 was paid to the Port. On January 19, 2000 the Executive Director extended the exclusive negotiation period for six months or until June 14, 2000 and a negotiating fee of $5,000 was paid to the Port.

During this time period, Metropolis has conducted its due diligence review of the site in conjunction with preparing preliminary development plans for the site. Evaluation of the site development costs, including construction cost estimates has included:

- Substructure engineering including new piling requirements (GKO & Associates)
- Assessment of design requirements and estimated cost for mechanical, electrical and structural work (DBD Structures, Anderson Rowe & Buckley, Lera Electrical)
- Conceptual design analysis (Kwan Hemni)
- Assessment of historic building and/or district issues (Architectural Resources Group)
- Discussions with Port regarding electrical engineering requirements
- Assessment of parking availability
- Discussion of regarding regulatory issues including bay fill and public access with San Francisco Bay Conservation and Development Commission (BCDC) staff

Also during this period, Metropolis has been marketing the project to potential subtenants that would be consistent with the land use objectives and limitations set forth in the *Waterfront Land Use Plan*. Potential users have been identified and negotiations are underway.

STAFF RECOMMENDATION

The ongoing due diligence and marketing efforts by Metropolis have taken more time than originally anticipated, however both parties are prepared to begin discussing lease terms at this time. Staff recommends that the Port Commission authorize Staff to utilize the information made available by Metropolis regarding project costs and revenue potential for the site to begin lease negotiations in earnest. A 6-month extension of the Exclusive Negotiation agreement is recommended for a fee of $5,000.

Prepared by: Paul Osmundson
Director of Planning and Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-47

WHEREAS, Charter, Section B3.581grants the Port Commission the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Port owns certain properties known as "Pier 24 ½ or Pier 24 Annex"; and

WHEREAS, in October 1998, the Port issued a Request for Proposals for Pier 24 Annex; and

WHEREAS, a development team consisting of Metropolis Partners, Inc. and Polatnick Properties submitted a response to the RFP on February 1, 1999 which complied with the submittal requirements stated in the RFP and which was reviewed and evaluated by Port Staff; and

WHEREAS, based on this review, Port Staff recommended that the Port Commission enter into exclusive negotiations with Metropolis Partners, Inc. and Polatnick Properties; and

WHEREAS, The Port Commission reviewed the Port staff recommendation set forth in the Memorandum to Port Commissioners dated April 8, 1999, for Agenda Item 8A, and determined that Metropolis Partners, Inc. and Polatnick Properties met the qualification requirements for development of Pier 24 Annex; and

WHEREAS, based on this review, the Port Commission authorized exclusive negotiations with Metropolis Partners, Inc. and Polatnick Properties on April 13, 1999; and

WHEREAS, the Port Executive Director extended the exclusive negotiation period for six months, or until June 14, 2000; and

WHEREAS, Metropolis Partners, Inc. and Polatnick Properties have undertaken their due diligence review of the site and have developed preliminary development plans for the site in accordance with the Exclusive Right to Negotiate agreement; now therefore, be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to extend the Exclusive Right to Negotiate agreement period for six months, or until December 14, 2000, a copy of which is on file with the Port Commission Secretary, and with the understanding that the final terms and conditions of the Lease and related documents negotiated between Metropolis Partners, Inc. and Port staff during the Exclusive Negotiation Period will be subject to the approval of the Port Commission; and be it further

RESOLVED, that the Port will not enter into a final lease for the project which would allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 27, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

June 20, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution authorizing the Executive Director to apply for, accept and expend up to $85,000 from the Bay Area Air Quality Management District's Transportation Fund for Clean Air for the installation of bicycle parking facilities at several Port facilities. (Resolution No. 00-53)

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

One of the primary goals of the Port's Waterfront Land Use Plan (adopted by the Port Commission in 1997) is to reunite the City with its waterfront. Throughout the past few years, several transportation improvement projects have contributed to the Port's success in achieving that goal. Projects such as the Embarcadero Roadway, China Basin Ferry Terminal and the Downtown Ferry Terminal are helping to increase accessibility to the waterfront. The Port has had an active role in improving the region's transit system serving as a major transit destination and transfer location for intermodal transit. Examples of these projects include the Downtown Ferry Terminal, the recently completed MUNI Metro extension (MMX) to China Basin and the Historic F-Line running north of Market Street from the Embarcadero. The Embarcadero Roadway project encourages the use of bicycles through the addition of bike lanes and other amenities.

Current and future development projects are creating many more attractive destinations for local and regional visitors. The Downtown Ferry Terminal improvement project and the renovation of the Ferry Building into a mixed use building will emphasize its original use as a regional transportation terminal and destination for transit connections. The waterfront is becoming an increasingly popular destination for bicyclists, walkers, and tourists. Bicycling is an important mode of transportation in the City of San Francisco which has a "Transit-First" policy. Bicycling to and along the waterfront is an important alternative form of transportation as the need grows for traffic mitigation and reduction of motor vehicle emissions. In order to enhance

the waterfront as a "bicycle friendly" destination, the Port would like to provide secure bicycle racks at key destinations and transit connections.

The Transportation Fund for Clean Air is a program set up by the Bay Area Air Quality Management District to distribute funds to public agencies for projects that reduce motor vehicle emissions in accordance with the requirements of State law and the Air District's Bay Area 1997 Clean Air Plan. Bicycle facility improvement projects are among those eligible for funding from the Bay Area Air Quality Management District for fiscal year 2000/2001. With the Commission's approval, staff will apply for a grant to provide bicycle facilities at over 20 destinations within the Port's jurisdiction.

PROJECT DESCRIPTION

Currently the Port is lacking adequate bike storage facilities along the waterfront. The goal of the project is to promote bicycle use along San Francisco's waterfront by providing secure and convenient bike racks wherever a bicycle destination may occur. This project is the first phase in providing a network of secure bicycle facilities along the Port's jurisdiction. The Port plans to provide bike parking facilities for over 800 bicycles from Aqua Vista Park to Fisherman's Wharf.

The proposed major locations as described in the attached map, are:

Heron's Head Park
Pier 70 Open Space
Mission Bay
China Base Open Space
Brannan Street Wharf
South Beach Park
Piers 1-5
Pier 27-31- Proposed Recreation/Open Space
Warm Water Cove
Waterfront Restaurants
Port Maintenance Facilities
Rincon Park
Pacific Bell Ballpark
Downtown Ferry Temrminal
Excursion Boats
Pier 39/ Fisherman's Wharf

In addition, minor locations will be located along the Embarcadero Promenade.

The 20 proposed bicycle rack facilities along the waterfront will consist of a series of inverted "U" shape bike racks which will accommodate 10 - 40 bicycles, depending on the location. Bicycle racks will be installed in accordance with the City's Bicycle Rack Installation policy and will only be put in locations where they will not interfere with pedestrian traffic or create safety problems.

Signage will be placed all locations indicating a "Use at Your Own Risk" policy so that the Port is not responsible for damage or theft of bicycles.

PROJECT BUDGET AND SCHEDULE

The project budget is as follows:

DESCRIPTION	AMOUNT
Bicycle Racks	$72,250
Signage	$8,500
Reimbursement of Administrative Cost	$4,250
TOTAL BUDGET	**$85,000**
TOTAL AMOUNT REQUESTED	**$85,000**

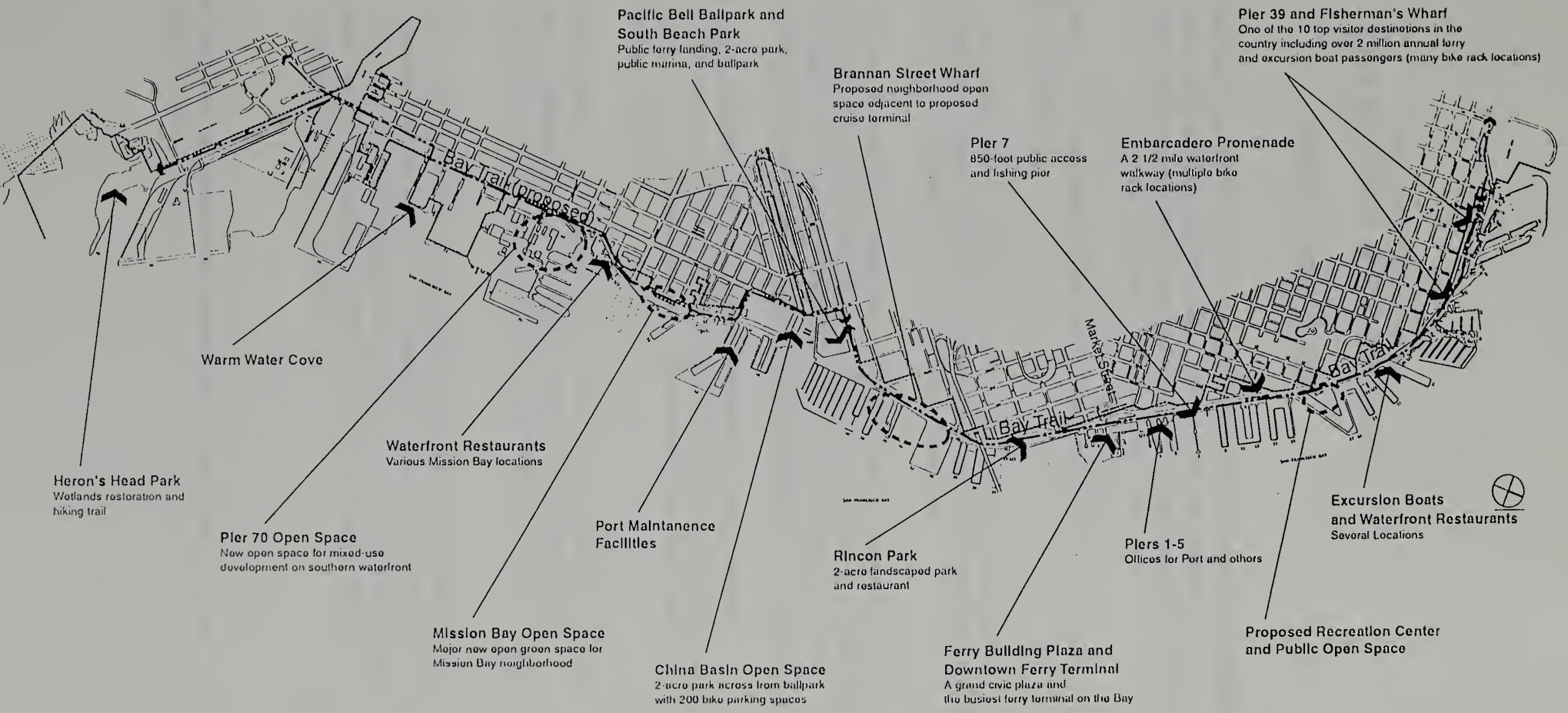
Schedule

The Bay Area Quality Management District Board of Directors will approve funds for the project by Fall 2000 and installation of bicycle racks will begin by Spring 2001.

Prepared by: Veronica Sanchez, Manager, Governmental Affairs Office

Major Locations for Bicycle Parking Facilities

TFCA Funding Application, June 2000
Partial Listing



Heron's Head Park
Wetlands restoration and hiking trail

Warm Water Cove

Pier 70 Open Space
New open space for mixed-use development on southern waterfront

Waterfront Restaurants
Various Mission Bay locations

Mission Bay Open Space
Major new open green space for Mission Bay neighborhood

Pacific Bell Ballpark and South Beach Park
Public ferry landing, 2-acre park, public marina, and ballpark

Port Maintanence Facilities

China Basin Open Space
2-acre park across from ballpark with 200 bike parking spaces

Brannan Street Wharf
Proposed neighborhood open space adjacent to proposed cruise terminal

Rincon Park
2-acre landscaped park and restaurant

Pier 7
850-foot public access and fishing pier

Ferry Building Plaza and Downtown Ferry Terminal
A grand civic plaza and the busiest ferry terminal on the Bay

Embarcadero Promenade
A 2 1/2 mile waterfront walkway (multiple bike rack locations)

Piers 1-5
Offices for Port and others

Pier 39 and Fisherman's Wharf
One of the 10 top visitor destinations in the country including over 2 million annual ferry and excursion boat passengers (many bike rack locations)

Excursion Boats and Waterfront Restaurants
Several Locations

Proposed Recreation Center and Public Open Space

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-53

WHEREAS, The Bay Area Air Quality Management District's Transportation Fund for Clean Air distributes funds to public agencies for projects that reduce motor vehicle emissions in accordance with the requirements of State law and the Air District's Bay Area 1997 Clean Air Plan; and

WHEREAS, Bicycle facilities improvement projects are among those projects eligible for funding; and

WHEREAS, An important goal of the San Francisco Port Commission approved Waterfront Land Use Plan is to reunite the city with its waterfront and the City of San Francisco has a "Transit First" policy; and

WHEREAS, The Port of San Francisco desires to enhance bicycle parking facilities along San Francisco's waterfront and intends to implement the first phase of a bicycle facilities improvement project by providing secure and convenient bicycle racks wherever a bicycle destination may occur; and

WHEREAS, Several locations have been initially identified as major bicycle destinations where bicycle racks should be installed to encourage the use of bicycles as an alternative form of transportation to help reduce motor vehicle emissions;

WHEREAS, This proposal will enable the Port to install bicycle racks to meet the growing demand for bicycle racks by locating over 800 bicycles throughout the entire Port of San Francisco's waterfront; now, therefore, be it,

RESOLVED, That the San Francisco Port Commission does hereby authorize the Executive Director to apply for, accept and expend up to $85,000 from the Bay Area Air Quality Management District's Transportation Fund for Clean Air for the installation of bicycle facilities at major bicycle destinations along the waterfront.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of June 27, 2000.

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SAN FRANCISCO
PORT COMMISSION

JUNE 27, 2000 MINUTES
OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
4:00 P.M., TUESDAY, JUNE 27, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:15 p.m. The following Commissioners were present: Kimberly Brandon, Denise McCarthy, Michael Hardeman and Pius Lee. Commissioner McWilliams was not present.

2. APPROVAL OF MINUTES - June 13, 2000 Special & Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; the minutes of the June 13, 2000 Special & Regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

(a) The San Francisco Chronicle's Fourth of July Fireworks and the Albertson's Waterfront Music Festival will be held on Tuesday July 4th, between the hours of 2 and 9 p.m. As part of this free, day long Independence Day Celebration, several Bay Area musicians will appear on stages at Aquatic Park, Ghirardelli Square, The Cannery, the Anchorage, Fisherman's Wharf and Pier 39 with entertainment for the whole family. At approximately 9:30 p.m., there will be a 20-minute world class fireworks display by Pyro-Spectaculars choreographed and broadcast live on KTVU-Fox, K101, Kiss, and KKSF.

(b) Veronica Sanchez, Manager of Governmental Affairs, provided the Commission an update about the Passenger Services Act. A strategic change in the legislation was made earlier this year because of the difficulty in obtaining a broad maritime union support. Staff is pursuing an initiative to stimulate the building of U.S. cruise ships. This initiative would relax the existing maritime laws by allowing a foreign filled cruise ship to be reflagged and come to the U.S. However, this is a major obstacle identified by investors because the U.S. flags under the current law must be built in a U.S. Shipyard. Under the proposal, we are changing that with provisions for building a future ship by the investment group in U.S. yard. The bill is called the U.S. Cruise Ship Tourism Act sponsored by Senator McCain. Last week, the Senate Commerce & Transportation Committee passed the bill unanimously with bipartisan support from democratic senators. The bill has the support of all maritime unions including our own locally based Sailors Union of the Pacific. The only opposition of the bill is the American Shipbuilders Association who wants to continue requiring that the vessels be filled in U.S.

yards. The bill is moving onto the Senate floor and Senator McCain is adding it on the bill that must pass. Senator Boxer is a co-sponsor of the bill. The bill will be introduced on the House of Representatives seeking for Congresswoman Pelosi's support and an introduction of a separate item. The legislation is modeled after the legislation passed three years ago, where the Congress allowed a reflag ship to come into the Hawaii market for America-Hawaii cruises if America-Hawaii cruises builds two more ships. Staff is encouraged by the fact that the U.S. flag industry is on a come back. America-Hawaii cruises purchased the former Holland America vessel, the new Amsterdam. It was reflagged with the commitment that they build two U.S. flag ships which will be delivered in 2003 and 2005. The good news for San Francisco for the newly named Patriot under the U.S. Flag, the Patriot will make its maiden voyage to Hawaii from San Francisco on December 7th. She will be refurbished at a West Coast yard. She will also be doing non-revenue cruises (promotional cruises) for the travel industry and the trade out of San Francisco the last week of November. This would be an excellent opportunity to showcase another product. It would give the Port the opportunity to continue telling the community about the new cruise ship terminal. This is a good example of how our legislation on the Continental U.S. would hopefully stimulate the entry of new U.S. flag vessels.

Commissioner McCarthy inquired about the American Shipbuilders Association opposition of the bill. Ms. Sanchez replied that the association has investors that are willing to build U.S. right now and that this legislation will threaten their deals. It's a difficult argument to understand since refurbishing a vessel would cost less money than the investment of building a vessel.

4. **CONSENT CALENDAR**

5. **MARITIME**

A. Approval of Marine Terminal and Use Agreement with British Pacific Aggregates, Ltd. for use of Pier 94. (Resolution No. 00-54) NOTE: "This action is within the scope of the Waterfront Land Use Plan Program EIR, certified on January 9, 1997, which EIR adequately described the project." **THIS ITEM HAS BEEN TAKEN OFF CALENDAR.**

B. Approval of Marine Terminal and Use Agreement with Vulcan Materials for use of Pier 94. (Resolution No. 00-55) NOTE: "This action is within the scope of the Waterfront Land Use Plan Program EIR, certified in January 9, 1997, which EIR adequately described the project." **THIS ITEM HAS BEEN TAKEN OFF CALENDAR.**

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

8. **PLANNING & DEVELOPMENT**

A. Approval of extension of Exclusive Negotiations for Mixed-Use Development at Pier 24½. (Resolution No. 00-47)

Mr. Paul Osmundson, Director of Planning & Development, indicated that this item is to approve an extension of exclusive right to negotiate with Metropolis Partners for the Pier 24 Annex building. The RFP was issued in the fall of 1998; Metropolis Partners was the only respondent. Port staff entered into negotiations with them in April 1999. They extended the negotiation period in January 2000. This is an additional 6-month extension for a fee of $5,000. They have been conducting due diligence on the project.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 00-47 was adopted.

B. Resolution authorizing the Executive Director to apply for, accept and expend up to $85,000 from the Bay Area Air Quality Management District's Transportation Fund for Clean Air for the installation of bicycle parking facilities at several Port facilities. (Resolution No. 00-53)

Ms. Veronica Sanchez, Manager of Governmental Affairs, indicated that this is a grant application to be forwarded to the Bay Area Air Quality Management District in response to the increasing popularity by bicyclists to use our waterfront. With this money, we would be able to provide 20 bicycle racks at 20 different sites that will accommodate at least 10-45 bicycles at each rack. Planning staff has identified areas where those sites would be located but staff will undertake a planning process with some of the bicycle advocates to ensure they are in the right place.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. Resolution No. 00-53 was adopted.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Dan Strazzullo, All Shores Seafood at Pier 45, indicated that a few things have arisen since he last spoke at the Commission meeting. He indicated that people might have misconstrued what he said at the last meeting i.e. blaming the Port with the conditions at Pier 45. He clarified that was not the case. While there is some problem involving the Port, there are other agencies involved to whom they have complained to. City, State Health, and Port staff conducted an inspection of Pier 45 after the last meeting. Port staff issued two reports and State health issued one. Major violations were identified in the reports. They include: State health, City health, water quality and environment. Another meeting is scheduled tomorrow between the Port and State officials. The conditions he cited are serious such as water being dumped into the bay and no restrooms in their facilities. There are a lot of violations, some not involving the Port but serious nonetheless.

Charlie Akwa, Pier 45 tenant, elaborated on Mr. Strazzullo's comments. She also noted that these issues were raised at the last Port Commission meeting. In six weeks, all that has been done so far was one inspection. By the Port's own admission in its report, four companies

are operating without restroom facilities and in the eyes of the City building inspector, they could not have possibly obtained building permits and are occupying their spaces illegally. The law calls for those companies to close down. By the State Health's own admission, seven firms are dumping their wastes directly into San Francisco bay, which is a direct violation of federal environmental laws. The report was given to Elliott Riley but never shared it with Alex Lee who is coordinating the Port's efforts. The violations are serious and asked the Commission for some answers. The issues need to be addressed now; the law provides for action, it does not provide for writing letters to people. The North Coast Fishery is in such disrepair that the State is moving to seek action with the District Attorney to have that company close down. The Port has a property manager who is supposed to be managing the property and report to the Commission on the state of affairs at Pier 45. She asked the Commission for its course of action.

Alex Lee, Director of Facilities & Operations, indicated that Port staff is working with the State to address some of the problems. Ms. Akwa pointed out a lot of issues that need to be addressed. The violation letter was forwarded to the four companies requiring them to put in a restroom in their facility.

Noreen Ambrose, City Attorney, explained that since this item is not on the agenda, discussion of this item is not allowed. She suggested Mr. Lee to speak to the individuals personally and the Commission can request to calendar this matter at its next meeting.

Commissioner Brandon asked that this item be calendared at the next meeting. Commissioner McCarthy asked for a copy of all the reports.

The regular meeting was adjourned at 4:40 p.m.

11. EXECUTIVE SESSION

ACTION: Commissioner McCarthy moved approval to reconvene in executive session to continue their discussions of the executive session items. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 4:40 p.m., the Commission withdrew to executive session.

At 6:50 p.m. Commissioners Brandon, McCarthy, Hardeman and Lee returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:50 p.m.